

Application
(Original)

West Cancer Center
Memphis (Shelby Co.)

CN1808-037



Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
P.O. Box 198966
Nashville, TN 37219-8966

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Kim Harvey Looney
615.850.8722 direct
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August 15, 2018

VIA HAND DELIVERY

Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building
9th Floor
502 Deaderick Street
Nashville TN 37243

Re: West Cancer Center, 1588 Union Avenue, Memphis Shelby County, Tennessee

Dear Melanie:

Please be advised that West Cancer Center (the "Applicant") requests that the application be placed on the consent calendar for the October 24, 2018 hearing. This application is for the change of ownership of existing equipment and initiation of PET and linear accelerator services by West Clinic, dba West Cancer Center. West Clinic is already providing these services to its existing patients at this same location, and has been doing so in collaboration with Methodist and UT. Methodist has been billing the services as provider-based. The primary difference is that the equipment will now be owned by the West Clinic and the West Clinic will bill for these services as part of its practice. Because the primary difference in the provision of these services is the transfer of ownership of the equipment to West Clinic, the applicant would like to request to be on the consent calendar

If you have any questions or need any additional information, please do not hesitate to call me.

Sincerely,

Kim Harvey Looney

KHL:lag



State of Tennessee

Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

CERTIFICATE OF NEED APPLICATION--PET/CT-Memphis

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

West Cancer Center

Name

1588 Union Avenue

Shelby

Street or Route

County

Memphis

TN

38104

City

State

Zip Code

Website address: www.westcancercenter.org

*Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.*

2. Contact Person Available for Responses to Questions

Kim H. Looney, Esq.

Attorney

Name

Title

Waller Lansden Dortch & Davis LLP

kim.looney@wallerlaw.com

Company Name

Email address

511 Union Street, Suite 2700

Nashville

TN

37219

Street or Route

City

State

Zip Code

Attorney

615-850-8722

615-244-6804

Association with Owner

Phone Number

Fax Number

NOTE:

Section A is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care.

Please answer all questions on 8½" X 11" white paper, clearly typed and spaced, single or double-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.

3. SECTION A: EXECUTIVE SUMMARY

A. Overview

Please provide an overview not to exceed three pages in total explaining each numbered point.

- 1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant;

Response: West Cancer Center is the region's comprehensive leader in adult cancer care and research, delivering a complete continuum of care to more than 30,000 individuals each year. A multidisciplinary team approach coupled with a full-spectrum of care and support services ensures that its patients are receiving the most innovative – and comprehensive – care available. West Cancer Center is currently a collaboration between Methodist LeBonheur Healthcare ("Methodist"), the University of Tennessee Health Science Center ("UT"), and the West Clinic. Partly as a result of the shift in Medicare reimbursement for oncology services, this business relationship is set to unwind effective January 1, 2019. Since the equipment is currently owned by Methodist and billed as an outpatient department of the hospital, it is necessary for the West Cancer Center to apply for a CON for the initiation of PET, even though they are existing services. There is one PET/CT scanner at this location of the West Cancer Center. This equipment is already in operation and being used by the West Clinic for its patients.

It is the applicant's understanding that only one other scanner in the county is a PET/CT, and it is located at Baptist. The benefits of being able to offer PET/CT for cancer patients are numerous, and it is generally considered the standard of care. PET/CT technology integrates the molecular-level diagnostic capabilities of positron emission tomography (PET) with computed tomography (CT) to produce anatomic views, a practice known as image fusion or co-registration. These views allow clinical information from two different exams to be correlated and interpreted on one image, leading to more precise information and accurate diagnoses. PET/CT is prevalent in diagnosing and monitoring progression/regression of cancer.

The integration of these technologies is key to both the early detection of cancer, as well as to the treatment plan to follow. PET/CT scans generally take longer than PET scans because you are using two imaging modalities at one time, rather than just one.

Upon approval of this application, the West Clinic will purchase the equipment and integrate it into its practice as part of the West Cancer Center. Please note that a companion application for the initiation of PET services with the use of a PET/CT scanner is being filed simultaneously with this application for the West Cancer Center's location on Union Avenue. The approval of each of these applications will enable the West Clinic to continue to provide the comprehensive adult cancer care and treatment for which it is known. It would be extremely disruptive to cancer diagnosis and treatment for patients in the service area if this application and its companion application were not to be approved.

2) Ownership Structure;

Response: West Cancer Center is a dba for the comprehensive cancer services operated by the West Clinic, which is a professional corporation which is a professional corporation that has been in existence for almost 40 years.

3) Service Area:

Response: Based on the applicant's existing patient base, the service area is Shelby County.

4) Existing similar service providers;

Response: While there are four PET scanners in Shelby County, with the exception of the ones provided by West Cancer Center at its two locations, it is the applicant's understanding that only one other scanner in the county is a PET/CT, and it is located at Baptist. The benefits of being able to offer PET/CT for cancer patients are numerous, and it is generally considered the standard of care. The integration of these technologies is key to both the early detection of cancer, as well as to the treatment plan to follow. PET/CT scans generally take longer than PET scans because you are using two imaging modalities at one time, rather than just one.

5) Project Cost;

Response: The Applicant anticipates the project cost of the project to be \$1,770,485.00. While the costs will be FMV, an appraisal has not yet been completed. Therefore, in order to provide a conservative cost of the project, the applicant has included the original purchase price of the equipment. The FMV is anticipated to be lower than what is listed in the application in the Project Costs Chart. What is also listed is the cost of the lease for the building over the remaining term of the lease, which is 12 years.

6) Funding; and

Response: The Applicant anticipates obtaining a commercial loan for the purchase of the equipment.

7) Financial Feasibility including when the proposal will realize a positive financial margin; and

Response: Because the application seeks only to change the ownership of certain equipment but will continue to provide the same services to the same patient base, the project will have a positive financial margin in the first year.

8) Staffing.

Response: The Applicant will provide appropriate staffing for this project, consistent with the staffing that is already provided. Certain of the staff are currently employed by Methodist and this staff will transition to employment by the West Clinic when this project is implemented.

B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B. of this application. Please summarize in one page or less each of the criteria:

1) Need;

Response: West Cancer Center is the region's comprehensive leader in adult cancer care and research. It delivers a complete continuum of care to over 30,000 adults each year. In 1979, the doors of what would later become West Clinic officially opened when William H. West, M.D., a nationally respected oncologist and lead investigator for the National Institutes of Health in Washington, DC, lost his mother to breast cancer. He decided he wanted to provide world-class cancer treatment and research capabilities in his hometown of Memphis, Tennessee. The practice continued to grow, and relocated several times, building a reputation for both clinical excellence and cutting edge research. This led to an innovative partnership with Methodist and UT.

While the parties have decided that this partnership will end effective January 1, 2019, the need for the delivery of these comprehensive cancer services continues. From a clinical perspective, it is extremely beneficial to the patient and his/her family members when the radiation oncologists and medical oncologists are in the same practice and can participate in care coordination, which includes having the ability to diagnose and treat within the same group.

The initiation of PET services through the use of the PET/CT scanner already in operation is vital to continuing to meet the health care needs of the service area residents. The benefits of being able to offer PET/CT for cancer patients are numerous, and it is generally considered the standard of care. PET/CT technology integrates the molecular-level diagnostic capabilities of positron emission tomography (PET) with computed tomography (CT) to produce anatomic views, a practice known as image fusion or co-registration. These views allow clinical information from two different exams to be correlated and interpreted on one image, leading to more precise information and accurate diagnoses. PET/CT is prevalent in diagnosing and monitoring progression/regression of cancer.

The integration of these technologies is key to both the early detection of cancer, as well as to the treatment plan to follow. PET/CT scans generally take longer than PET scans because you are using two imaging modalities at one time, rather than just one. The linear accelerators operated at the Germantown location are then used to provide treatment for the identified cancer.

Shelby County is lucky to have the West Cancer Center and The West Clinic available to provide these important diagnostic services. This application is being filed at the same time as an application for the initiation of PET and linear accelerator services at

the Wolf River Parkway location of the West Cancer Center in Germantown. Together, these two sites provide both diagnostic and treatment services for cancer patients.

2) Economic Feasibility;

Response: The project is financially feasible; the costs of the project are reasonable and the applicant expects to have a positive cash flow in the first year.

3) Appropriate Quality Standards; and

Response: The West Clinic adheres to appropriate quality standards both in its practice and in the operation of this equipment. It performs quality assurance on a regular basis for the PET/CT.

4) Orderly Development to adequate and effective health care.

Response: These important health care services are already being provided to the patients of the West Clinic, just as a part of an outpatient department of Methodist, rather than as a part of the West Clinic practice. As their business arrangement is scheduled to be unwound effective January 1, 2019, it is important that the patients of the West Clinic continue to receive these diagnostic and treatment options close to home. It would be disruptive to patient care if this application were not approved.

C. Consent Calendar Justification

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

Response: This proposed project is for the change of ownership of existing equipment and the initiation of PET by the West Clinic, dba West Cancer Center, through the use of a PET/CT scanner. West Clinic is already using this equipment to provide these services to its existing patients at this same location, and has been doing so in collaboration with Methodist and UT. Methodist has been billing the services as provider-based. The primary difference is that the equipment will now be owned by the West Clinic and the West Clinic will bill for these services as part of its practice. Because the primary difference in the provision of these services is the transfer of ownership of the equipment to West Clinic, the applicant would like to request to be on the consent calendar and has submitted a letter to Melanie Hill at the time of filing this application.

4. SECTION A: PROJECT DETAILS

A. Owner of the Facility, Agency or Institution

West Clinic, PC

Name

1588 Union Avenue

Street or Route

Memphis

City

TN

State

Shelby

County

38104

Zip Code

B. Type of Ownership of Control (Check One)

A. Sole Proprietorship _____

B. Partnership _____

C. Limited Partnership _____

D. Corporation (For Profit) _____

E. Corporation (Not-for-Profit) _____

F. Government (State of TN
or Political Subdivision) _____

G. Joint Venture _____

H. Limited Liability Company _____

I. Other (Specify) _____ X

Professional corporation

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. **Attachment Section A-4A.**

Response: See copy of entity information included as Attachment A-4A.

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

5. Name of Management/Operating Entity (If Applicable)

Not applicable

Name

Street or Route

County

City

State

Zip Code

Website address: www.westcancercenter.org

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. **Attachment Section A-5.**

Response: Not applicable.

6A. Legal Interest in the Site of the Institution (Check One)

- | | |
|-------------------------------|--------------------------|
| A. Ownership | D. Option to Lease |
| B. Option to Purchase | E. Other (Specify) _____ |
| C. Lease of 12 Years <u>X</u> | |

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

Response: See copy of Lease and Deed included as Attachment A-6A.

6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site on an 8 1/2" x 11" sheet of white paper, single or double-sided. DO NOT SUBMIT BLUEPRINTS. Simple line drawings should be submitted and need not be drawn to scale.

- 1) Plot Plan **must include**:
- a. Size of site (*in acres*);
 - b. Location of structure on the site;
 - c. Location of the proposed construction/renovation; and
 - d. Names of streets, roads or highway that cross or border the site.

Response: See plot plan included as Attachment 6B-1.

- 2) Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8 ½ by 11 sheet of paper or as many as necessary to illustrate the floor plan.

Response: See floor plan included as Attachment 6B-2.

- 3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Attachment Section A-6A, 6B-1 a-d, 6B-2, 6B-3.

Response: This practice site is located on 1588 Union Avenue, Memphis, Tennessee, between Willett and Avalon. The West Clinic has found it to be a convenient location for its patients and family members. There is a bus stop at the entrance to this site.

7. Type of Institution (Check as appropriate--more than one response may apply)

- | | |
|--|---|
| A. Hospital (Specify) _____ | I. Nursing Home _____ |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty _____ | J. Outpatient Diagnostic Center _____ |
| C. ASTC, Single Specialty _____ | K. Recuperation Center _____ |
| D. Home Health Agency _____ | L. Rehabilitation Facility _____ |
| E. Hospice _____ | M. Residential Hospice _____ |
| F. Mental Health Hospital _____ | N. Non-Residential Methadone Facility _____ |
| G. Mental Health Residential Treatment Facility _____ | O. Birthing Center _____ |
| H. Mental Retardation Institutional Habilitation Facility (ICF/MR) _____ | P. Other Outpatient Facility (Specify) _____ |
| | Q. Other (Specify) <u>physician practice</u> X |

Check appropriate lines(s).

8. Purpose of Review (Check) as appropriate--more than one response may apply)

- | | |
|---|---|
| A. New Institution _____ | G. Change in Bed Complement _____ |
| B. Replacement/Existing Facility _____ | [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation] |
| C. Modification/Existing Facility _____ | |
| D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) <u>PET</u> _____ | H. Change of Location _____ |
| E. Discontinuance of OB Services _____ | I. Other (Specify) _____ |
| F. Acquisition of Equipment _____ | |

9. Medicaid/TennCare, Medicare Participation

MCO Contracts [Check all that apply]

X AmeriGroup X United Healthcare Community Plan X BlueCare X TennCare Select

Medicare Provider Number: TN: 3704066; MS: C00622; AR 259367

Medicaid Provider Number: TN: 217965002; MS: 09013755; AR 217965002

Certification Type: physician practice

If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?

Medicare ___Yes ___No X N/A Medicaid/TennCare ___Yes ___No X N/A

10. Bed Complement Data

A. Please indicate current and proposed distribution and certification of facility beds. **Response:** Not applicable.

	<i>Current Licensed</i>	<i>Beds Staffed</i>	<i>Beds Proposed</i>	<i>*Beds Approved</i>	<i>**Beds Exempted</i>	<i><u>TOTAL Beds at Completion</u></i>
1) Medical						
2) Surgical						
3) ICU/CCU						
4) Obstetrical						
5) NICU						
6) Pediatric						
7) Adult Psychiatric						
8) Geriatric Psychiatric						
9) Child/Adolescent Psychiatric						
10) Rehabilitation						
11) Adult Chemical Dependency						
12) Child/Adolescent Chemical Dependency						
13) Long-Term Care Hospital						
14) Swing Beds						
15) Nursing Home – SNF (Medicare only)						
16) Nursing Home – NF (Medicaid only)						
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)						
18) Nursing Home – Licensed (non-certified)						
19) ICF/IID						
20) Residential Hospice						
TOTAL						
<i>*Beds approved but not yet in service **Beds exempted under 10% per 3 year provision</i>						

B. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the applicant facility's existing services. **Attachment Section A-10. Response:** Not applicable.

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below. **Response:** Not applicable.

CON Number(s)	CON Expiration Date	Total Licensed Beds Approved

11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply: Response: Not applicable.

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Maury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Response: Not applicable

13. MRI, PET, and/or Linear Accelerator

1. Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or

Response: Not applicable.

2. Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:

A. Complete the chart below for acquired equipment.

<input type="checkbox"/> Linear Accelerator	Mev _____	Types:	<input type="checkbox"/> SRS <input type="checkbox"/> IMRT <input type="checkbox"/> IGRT <input type="checkbox"/> Other _____ <input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____
Total Cost*: <input type="checkbox"/> New <input type="checkbox"/> Refurbished			
<input type="checkbox"/> MRI-Not Applicable	Tesla: _____	Magnet:	<input type="checkbox"/> Breast <input type="checkbox"/> Extremity <input type="checkbox"/> Open <input type="checkbox"/> Short Bore <input type="checkbox"/> Other _____ <input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____
Total Cost*: <input type="checkbox"/> New <input type="checkbox"/> Refurbished			
<input checked="" type="checkbox"/> PET Midtown Acquired 3/2013	<input type="checkbox"/> PET only	<input checked="" type="checkbox"/> PET/CT	<input type="checkbox"/> PET/MRI <input checked="" type="checkbox"/> By Purchase Total Cost*: \$1,139,836.60 <input type="checkbox"/> New <input type="checkbox"/> Refurbished <input checked="" type="checkbox"/> By Lease Expected Useful Life (yrs) 15 <input checked="" type="checkbox"/> If not new, how old? (yrs) 5

* As defined by Agency Rule 0720-9-.01(13)

- B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

Response: The PET/CT scanner is not being purchased from a vendor. The equipment is already in use and will be purchased from Methodist at fair market value. Since an appraisal to determine FMV has not yet been completed, the applicant is using the cost of the equipment when it was first purchased several years ago, which should be more than its current FMV.

- C. Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.

Response: Not applicable. The equipment is not being leased but will be purchased at FMV. As stated above, the applicant is including the original cost of the equipment because the appraisal has not yet been completed. The FMV should be less than the original cost of the equipment.

D. Schedule of Operations:

Response:

Location	Days of Operation (Sunday through Saturday)	Hours of Operation (example: 8 am – 3 pm)
Fixed Site (Applicant)	Monday-Friday	7:30 a.m.--5:30 p.m.
Mobile Locations (Applicant)		
(Name of Other Location)		
(Name of Other Location)		

E. Identify the clinical applications to be provided that apply to the project.

Response: PET/CT technology integrates the molecular-level diagnostic capabilities of positron emission tomography (PET) with computed tomography (CT) to produce anatomic views, a practice known as image fusion or co-registration. These views allow clinical information from two different exams to be correlated and interpreted on one image, leading to more precise information and accurate diagnoses. PET/CT is prevalent in diagnosing and monitoring progression/regression of cancer.

F. If the equipment has been approved by the FDA within the last five years provide documentation of the same.

Response: Not applicable. This equipment is already operational and in use for the patients of the West Clinic.

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper, single-sided or double sided. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate “Not Applicable (NA).”***

QUESTIONS

SECTION B: NEED

- A. Provide a response to each criterion and standard in Certificate of Need Categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the Tennessee Health Services and Development Agency or found on the Agency’s website at <http://www.tn.gov/hsda/article/hsda-criteria-and-standards>.

POSITRON EMISSION TOMOGRAPHY SERVICES

1. Applicants proposing a new stationary PET unit should project a minimum of at least 1,000 PET procedures in the first year of service, building to a minimum of 1,600 procedures per year by the second year of service and for every year thereafter. Providers proposing a mobile PET unit should project a minimum of at least 133 mobile PET procedures in the first year of service per day of operation per week, building to an annual minimum of 320 procedures per day of operation per week by the second year of service and for every year thereafter. The minimum number of procedures for a mobile PET unit should not exceed a total of 1600 procedures per year if the unit is operated more than five (5) days per week. The application for mobile and stationary units should include projections of demographic patterns, including analysis of applicable population-based health status factors and estimated utilization by patient clinical diagnoses category (ICD-9).

For units with a combined utility, e.g., PET/CT units, only scans involving the PET function will count towards the minimum number of procedures.

Response: PET procedure volume parameters are not applicable to PET/CT technology. Applicant’s PET/CT equipment is not deployed separately to provide PET procedures. Nonetheless, Applicant’s stationary PET/CT volumes for 2016, as reported

on the HSDA equipment registry, were 1,757, greater than the 1600 procedures per year. The applicant projects that the number of PET/CT procedures for 2019, the first year of operation, will be 1,800, satisfying the required number. It is important to point out that PET/CT scans take longer than just PET scans, because two imaging modalities are being used at the same time. The ability to have a PET/CT for oncology patients is key to the early detection of cancer.

2. All providers applying for a proposed new PET unit should document that the proposed location is accessible to approximately 75% of the service area's population. Applications that include non-Tennessee counties in their proposed service areas should provide evidence of the number of existing PET units that service the non-Tennessee counties and the impact on PET unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity.

Response: Not applicable. The PET/CT units are already in existence.

3. All providers should document that alternate shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

Response: Not applicable. The equipment is in use and the services are already being provided to the patients of the West Clinic.

4. Any provider proposing a new mobile PET unit should demonstrate that it offers or has established referral agreements with providers that offer as a minimum, cancer treatment services, including radiation, medical and surgical oncology services.

Response: Not applicable.

5. A need likely exists for one additional stationary PET unit in a service area when the combined average utilization of existing PET service providers is at or above 80% of the total capacity of 2,000 procedures during the most recent twelve-month period reflected in the provider medical equipment report maintained by the USDA. The total capacity per PET unit is based upon the following formula:

Stationary Units: Eight (8) procedures/day x 250 days/year = 2,000 procedures/year

Mobile Units: Eight (8) procedures /day x 50 days/year= 400 procedures/year

The provider should demonstrate that its acquisition of an additional stationary or mobile PET unit in the service area has the means to perform at least 1,000 stationary PET procedures or 133 mobile PET procedures per day of operation per week in the first full one-year period of service operations, and at least 1,600 stationary PET procedures or 320 mobile PET procedures per day of operation per week for every year thereafter.

Response: The PET/CT units are already in use. The number of procedures performed for 2016 was 1,757, according to the HSDA Equipment Registry.

6. The applicant should provide evidence that the PET unit is safe and effective for its proposed use.

- a. The United States Food and Drug Administration (FDA) must certify the proposed PET unit for clinical use.

Response: The equipment is already in use and was certified for clinical use at the time the PET/CT was put into operation.

- b. The applicant should demonstrate that the proposed PET procedures will be offered in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

Response: The PET procedures are being provided in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

- c. The applicant should demonstrate how emergencies within the PET unit facility will be managed in conformity with accepted medical practice.

Response: The Applicant has a crash cart for emergencies. In addition, the applicant has either a physician or a mid-level provider in the building at all times. In the unlikely event of an emergency due to anything related to the PET/CT, the applicant would call 911 and have the patient transported to an emergency room. The closest emergency room is at Methodist LeBonheur Germantown, or the patient and/or ambulance may choose another emergency room.

- d. The applicant should establish protocols that assure that all clinical PET procedures performed are medically necessary and will not unnecessarily duplicate other services.

Response: It is not necessary to establish such protocols because they are already in existence and adhered to by West Clinic. In addition, some commercial payors require pre-certification prior to the scan being performed, which also ensures that the procedures are medically necessary.

- e. The PET unit should be under the medical direction of a licensed physician. The applicant should provide documentation that attests to the nature and scope of the duties and responsibilities of the physician medical director. Clinical supervision and interpretation services must be provided by physicians who are licensed to practice medicine in the state of Tennessee and are board certified in Nuclear Medicine or Diagnostic Radiology. Licensure and oversight for the handling of medical isotopes and radiopharmaceuticals by the Tennessee Board of Pharmacy and/or the Tennessee Board of Medical Examiners—whichever is appropriate given the setting—is required. Those qualified physicians that provide interpretation services should have additional documented experience and training, credentialing, and/or board certification in the appropriate specialty and in the use and interpretation of PET procedures.

Response: Not applicable. The PET unit is under the medical direction of a licensed physician who is fully cognizant of any and all requirements as the equipment is already in use.

- f. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.

Response: Depending on the emergency, the applicant anticipates transferring patients to the closest emergency room, which is Methodist-Germantown. The medical director is an active member of the staff of Methodist-Germantown.

- 7. The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

Response: The applicant will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

- 8. In light of Rule 0720-4-.01 (1), which lists the factors concerning need on which an application may be evaluated, the HSDA may decide to give special consideration to an applicant:

- a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;

Response: Not applicable. Shelby County is not designated as a medically underserved area.

- b. Who documents that the service area population experiences a prevalence, incidence and/or mortality from cancer, heart disease, neurological impairment or other clinical conditions applicable to PET unit services that is substantially higher than the State of Tennessee average;

Response: Based on information provided from the Tennessee Cancer Registry, Shelby County has a slightly lower incidence rate and a slightly higher mortality rate for cancer as compared to Tennessee as a whole. Shelby County is lower for lung cancer, slightly higher for female breast cancer and pancreatic cancer, and quite a bit higher for prostate cancer than the State of Tennessee.

- c. Who is a "safely net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program and/or is a comprehensive cancer diagnosis and treatment program as designated by the Tennessee Department of Health and/or the Tennessee Comprehensive Cancer Control Coalition; or

Response: Not applicable.

- d. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program.

Response: Not applicable. West Clinic already contracts with TennCare MCOs and Medicare.

Demographic Characteristics of Service Area by County

Demographic	Shelby County	Tennessee
Median Age – 2012-16 ACS	35.1	38.5
Age 65+ Population – 2018	125,618	1,119,024
% of Total Population	13.3%	16.5%
Age 65+ Population – 2020	133,579	1,189,428
% of Total Population	14.1%	17.3%
Median Household Income	\$46,854	\$46,574
TennCare Enrollees (4/18)	245,409	1,432,475
Percent of 2018 Population Enrolled in TennCare	26%	21.2%
Persons Below Poverty Level (2018)	196,471	1,100,169
Persons Below Poverty Level as % of Population (US Census)	21.4%	17.2%

Projected Utilization for First Eight Quarters PET/CT

	Year 1	Year 2
1 st Quarter	180	182
2 nd Quarter	180	182
3 rd Quarter	180	182
4 th Quarter	181	182
Total	721	728

- B. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to related previously approved projects of the applicant.

Response: West Cancer Center is the premier provider of cancer diagnostic and treatment services in the region. As such, it strives to continue to provide high quality care to its patients and is committed to doing what it can in order to continue to meet the health care needs of its service area population.

- C. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable.
- Attachment Section B - Need-C.**

Response: The existing service area of the applicant for these services is Shelby County. Approximately 87% of the patients who receive PET/CT services are from Shelby County. Please see service area map included as Attachment Section B, Need-3.

Please complete the following tables, if applicable:

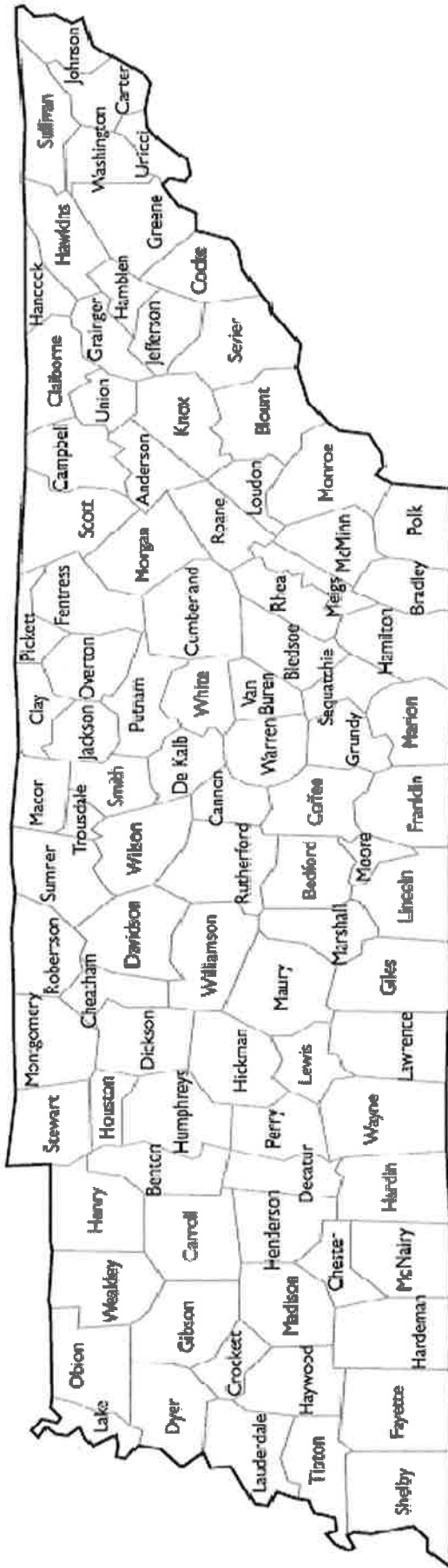
PET/CT SERVICES

Service Area Counties	Historical Utilization- County Residents-2016	% of total procedures
County #1 Shelby	837	87%
Other	125	13%
Total	962	100%

Service Area Counties	Projected Utilization- County Residents-2019	% of total procedures
County #1 Shelby	627	87%
Other	94	13%
Total	21	100%

Response: The above tables show the historical and projected utilization for Shelby County, the service area of the Applicant. Any differences between 2016 and 2019 are anticipated to be minimal because these are established services.

County Level Map



- D. 1) a) Describe the demographics of the population to be served by the proposal.

Response: As can be seen in the table below, the population for Shelby County is growing at a slower rate than that for Tennessee, but the percentage of the target population as a percentage of the total population is slightly less for Shelby County than for the State of Tennessee. The Shelby County population has a younger median age, a higher percentage of persons below the poverty level, and a higher percentage of TennCare enrollees than the State of Tennessee.

- b) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Bureau of the Census				TennCare	
	Total Population- Current Year 2018	Total Population- Projected Year 2020	Total Population-% Change	*Target Population- Current Year	*Target Population- Project Year	*Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Shelby County	942,648	950,532	0.8%	681,105	686,899	0.8%	72.3%	35.1	\$46,854	196,471	21.4%	245,409	26%
State of TN Total	6,769,368	6,883,347	1.7%	5,077,974	5,169,308	1.8%	75.1%	38.5	\$46,574	1,100,169	17.2%	1,432,475	21.2%

* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.

- 2) Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Response: Overall, the Shelby County population is younger and poorer than the population of the State of Tennessee. The applicant treats all patients, regardless of payor source, income level, age, race or gender.

Demographic Characteristics of Service Area by County

Demographic	Shelby County	Tennessee
Age 65+ Population – 2018	125,618	1,119,024
% of Total Population	13.3%	16.5%
Age 65+ Population – 2020	133,579	1,189,428
% of Total Population	14.1%	17.3%
TennCare Enrollees (4/18)	245,409	1,432,475
Percent of 2018 Population Enrolled in TennCare	26%	21.2%
Persons Below Poverty Level (2018)	196,471	1,100,169
Persons Below Poverty Level as % of Population (US Census)	21.4%	17.2%

- E. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

Response: Please see table below for utilization for Shelby County PET scanners.

Shelby County PET Scanners Utilization

Shelby County Providers	Number of Scanners	Treatments		
		2014	2015	2016
West Cancer Center	1	1,586	1,515	1,757
West Cancer Center-Midtown	1	855	887	962
Baptist Memorial Hospital-Memphis	1	1,053	1,141	1,118
East Memphis PET Imaging Center, LLC	1	615	551	423
TOTAL	4	4,109	4,094	4,260
AVERAGE NUMBER/YEAR		1,027	1,024	1.065

Note: St. Jude Children's Research Hospital has been excluded because it only serves children; this project Source: HSDA, Equipment Registry, PET Scanners - Utilization (As of 7/17/2017).

- F. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

Response: Please see the projected annual utilization for each of the two (2) years following completion of the project in the chart below.

Projected Annual Utilization						
Description	2016	2017	2018 YTD	2018 Annual	Year 1	Year 2
PET/CT	961	845	357	714	721	728

SECTION B: ECONOMIC FEASIBILITY

A. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- 1) All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee). (See Application Instructions for Filing Fee)

Response: Please see Project Costs chart.

- 2) The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

Response: West Clinic, through a related entity, West Union Partners, LLC, will be leasing the building from a Methodist related entity, Core Memphis, LLC, at FMV. The remaining term of the lease is twelve years.

- 3) The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

Response: The Applicant has included the cost of the equipment when it was purchased several years ago. Although the applicant will be paying FMV for the equipment at the time of purchase, a FMV assessment has not yet been completed. Using the cost of the equipment when it was new overestimates what the current FMV is.

- 4) Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.

Response: Not applicable.

- 5) For projects that include new construction, modification, and/or renovation—**documentation must be** provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:

- a) A general description of the project;
- b) An estimate of the cost to construct the project;
- c) A description of the status of the site's suitability for the proposed project; and
- d) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

Response: Not applicable. There is no new construction, modification and/or renovation necessary for this project.

PROJECT COST CHART

2019-2020

A.	Construction and equipment acquired by purchase:	
	1. Architectural and Engineering Fees	_____
	Legal, Administrative (Excluding CON Filing Fee),	
	2. Consultant Fees	\$50,000.00
	3. Acquisition of Site	_____
	4. Preparation of Site	_____
	5. Total Construction Costs	_____
	6. Contingency Fund	_____
	7. Fixed Equipment (Not included in Construction Contract)	\$1,139,837.00
	Moveable Equipment (List all equipment over \$50,000 as	
	8. separate attachments)	_____
	9. Other (Specify)	_____
	10. Pre-Opening Expenses	_____
B.	Acquisition by gift, donation, or lease:	_____
	1. Facility (inclusive of building and land)	\$358,421.00
	2. Building only	_____
	3. Land only	_____
	4. Equipment (Specify) _____	
	5. Other (Specify)	_____
C.	Financing Costs and Fees:	_____
	1. Interim Financing	_____
	2. Underwriting Costs	17,100.00
	3. Reserve for One Year's Debt Service	190,127.00
	4. Other (Specify): <u>Working Capital</u>	_____
D.	Estimated Project Cost	
	(A+B+C)	\$1,755,485.00
E.	CON Filing Fee	15,000.00
F.	Total Estimated Project Cost	
	(D+E) TOTAL	\$1,770,485.00

B. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. ***(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)***

- ☒ 1) Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ 2) Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ 3) General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ 4) Grants – Notification of intent form for grant application or notice of grant award;
- ☐ 5) Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☐ 6) Other – Identify and document funding from all other sources.

Response: The Applicant anticipates receiving a commercial loan for the funding for the project. Please see letter included as Attachment C, Economic Feasibility-2.

C. Complete Historical Data Charts on the following two pages—**Do not modify the Charts provided or submit Chart substitutions!**

Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. **Only complete one chart if it suffices.**

Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Response: The Applicant does not have an historical data chart because the services are currently provided as an outpatient department of Methodist, which is a separate legal entity from the Applicant.

HISTORICAL DATA CHART

Not applicable.

☐ Total Facility

☐ Project Only

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in _____ (Month). **Response:** Not Applicable.

	Year	Year	Year
A. Utilization Data (Specify unit of measure, e.g., 1,000 patient days, 500 visits)	_____	_____	_____
B. Revenue from Services to Patients	_____	_____	_____
1. Inpatient Services	\$	\$	\$
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	\$	\$	\$
C. Deductions from Gross Operating Revenue	_____	_____	_____
1. Contractual Adjustments	\$	\$	\$
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	\$	\$	\$
NET OPERATING REVENUE	\$	\$	\$
D. Operating Expenses	_____	_____	_____
1. Salaries and Wages	_____	_____	_____
a. Direct Patient Care	_____	_____	_____
b. Non-Patient Care	_____	_____	_____
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	_____	_____	_____
4. Rent	_____	_____	_____
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
5. Management Fees:	_____	_____	_____
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
6. Other Operating Expenses	_____	_____	_____
Total Operating Expenses	\$	\$	\$
E. Earnings Before Interest, Taxes and Depreciation	\$	\$	\$
F. Non-Operating Expenses	_____	_____	_____
1. Taxes	\$	\$	\$
2. Depreciation	_____	_____	_____
3. Interest	_____	_____	_____
4. Other Non-Operating Expenses	_____	_____	_____
Total Non-Operating Expenses	\$	\$	\$
NET INCOME (LOSS)	\$	\$	\$

Chart Continues Onto Next Page

NET INCOME (LOSS)	<u>\$</u>	<u>\$</u>	<u>\$</u>
G. Other Deductions			
1. Annual Principal Debt Repayment	<u>\$</u>	<u>\$</u>	<u>\$</u>
2. Annual Capital Expenditure	<u></u>	<u></u>	<u></u>
Total Other Deductions	<u>\$</u>	<u>\$</u>	<u>\$</u>
NET BALANCE	<u>\$</u>	<u>\$</u>	<u>\$</u>
DEPRECIATION	<u>\$</u>	<u>\$</u>	<u>\$</u>
FREE CASH FLOW (Net Balance + Depreciation)	<u>\$</u>	<u>\$</u>	<u>\$</u>

- ☐ Total Facility
☐ Project Only

HISTORICAL DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES

	Year	Year	Year
	\$	\$	\$
1.	<u></u>	<u></u>	<u></u>
2.	<u></u>	<u></u>	<u></u>
3.	<u></u>	<u></u>	<u></u>
4.	<u></u>	<u></u>	<u></u>
5.	<u></u>	<u></u>	<u></u>
Total Other Expenses	<u>\$</u>	<u>\$</u>	<u>\$</u>

D. Complete Projected Data Charts on the following two pages – **Do not modify the Charts provided or submit Chart substitutions!**

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the ***Proposal Only*** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. **Only complete one chart if it suffices.**

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Response: Please see projected data chart for the PET/CT services.

PROJECTED DATA CHART PET/CT

☐ Total Facility
☒ Project Only

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January (Month).

	Year 2019	Year 2020
A. Utilization Data (Specify unit of measure, e.g., 1,000 patient days, 500 visits) Unit of Measure = PET/CT procedures	721	728
B. Revenue from Services to Patients		
1. Inpatient Services Not applicable		
2. Outpatient Services Not applicable		
3. Emergency Services Not applicable		
4. Other Operating Revenue (Specify) Technical, Medical Physics and Professional Charges	\$7,351,737	\$7,425,255
Gross Operating Revenue	\$7,351,737	\$7,425,255
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	-\$5,866,687	-\$5,925,353
2. Provision for Charity Care	-\$154,386	-\$155,930
3. Provisions for Bad Debt	-\$154,386	-\$155,930
Total Deductions	-\$6,175,459	-\$6,237,214
NET OPERATING REVENUE	\$1,176,278	\$1,188,041
D. Operating Expenses		
1. Salaries, Wages and Benefits	\$165,110	\$170,064
a. Direct Patient Care		
b. Non-Patient Care		
2. Physician's Salaries and Wages	\$127,114	\$128,385
3. Supplies	\$84,551	\$87,087
4. Rent		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
5. Management Fees:		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
6. Other Operating Expenses Maintenance contracts, repairs, non-medical supplies/expenses, overhead allocation expenses	\$455,364	\$463,511
Total Operating Expenses	\$832,139	\$849,047
E. Earnings Before Interest, Taxes and Depreciation	\$344,139	\$338,993
F. Non-Operating Expenses		
1. Taxes		
2. Depreciation	\$40,000	\$40,000
3. Interest		
4. Other Non-Operating Expenses		
Total Non-Operating Expenses		
NET INCOME (LOSS)	\$304,139	\$298,993

Chart Continues Onto Next Page

NET INCOME (LOSS)	<u>\$304,139</u>	<u>\$298,993</u>
G. Other Deductions		
1. Estimated Annual Principal Debt Repayment	<u></u>	<u></u>
2. Annual Capital Expenditure	<u></u>	<u></u>
Total Other Deductions	<u></u>	<u></u>
NET BALANCE	<u></u>	<u></u>
DEPRECIATION	<u></u>	<u></u>
FREE CASH FLOW (Net Balance + Depreciation)	<u>\$304,139</u>	<u>\$298,993</u>

☐ Total Facility
☒ Project Only

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<u>Year 2019</u>	<u>Year 2020</u>
1. Maintenance Contracts	<u>\$130,000</u>	<u>\$130,000</u>
2. Repairs	<u>\$5,000</u>	<u>\$5,000</u>
3. Non-Medical Supplies and Expenses	<u>\$44,674</u>	<u>\$50,064</u>
4. Sales Expense	<u>\$275,690</u>	<u>\$278,447</u>
Total Other Expenses	<u>\$455,364</u>	<u>\$463,511</u>

- E. 1) Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Previous Year 2017	Current Year 2018 (annualized)	Year One 2019	Year Two 2020	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	\$10,201	\$10,195	\$10,195	\$12,940	0%
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	(\$8,161)	(\$8,156)	(\$8,563)	(\$8,563)	5.0%
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	\$2,040	\$2,039	\$1,631	\$1,631	-20.0%

- 2) Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

Response: The PET/CT equipment is currently used to provide patient care services in a hospital outpatient (HOPD) point-of-service (POS) setting. Upon the approval of this project and the implementation of the services as a physician office POS, the average net charge is expected to be approximately 19% less for PET/CT services. This is based on the anticipated lower reimbursement rate to physician offices for the same services. Thus, it is expected that the cost to patients and payors will be less as a result of the approval of this project.

3. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response:

- F. 1) Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. **NOTE: Publicly held entities only need to reference their SEC filings.**

Response: . Although the volume utilization of the PET/CT does not meet the HSDA volume guidelines, there are other reasons for its approval. The location of this scanner is in the downtown portion of Memphis where it is difficult for patients to receive services without public transportation. West Clinic is committed to serving all patient populations in Memphis and does not turn patients away if they lack the ability to pay. The payor mix at this location has more Medicare and TennCare patients than the Germantown location. The project will be above breakeven and profitable from its inception.

- 2) Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Year	2nd Year previous to Current Year	1st Year previous to Current Year	Current Year	Projected Year 1	Projected Year 2
Net Operating Margin Ratio	N/A	N/A	N/A	1:1	1:1

- 3) Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt/Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

Response:

- G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Response: Please see the payor mix for the PET/CT.

PET/CT
Applicant's Projected Payor Mix, Year 1

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	\$3,545,743	48.23%
TennCare/Medicaid	\$1,057,915	14.39%
Commercial/Other Managed Care	\$2,287,861	31.12%
Self-Pay	\$230,109	3.14%
Charity Care	\$115,055	1.56%
Other (Specify): Bad Debt	\$115,055	1.56%
Total	\$7,351,738	100.0%

- H. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

Response: Please see projected staffing and wages below.

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractual Rate)	Area Wide/Statewide Average Wage
A. Direct Patient Care Positions				
<i>Position 1: Nuclear Medicine Tech</i>	2	2	\$65,520	\$65,520
<i>Position 2</i>				
<i>Position 3 -</i>				
Total Direct Patient Care Positions	2	2		

B. Non-Patient Care Positions				
<i>Position 1:</i>	0	0	0	
<i>Position 2:</i>	0	0	0	
<i>Position 3:</i>	0	0	0	
Total Non-Patient Care Positions	0	0	0	
Total Employees (A+B)	2	2	\$65,520	
C. Contractual Staff				
Total Staff (A+B+C)	2	2	\$65,520	\$65,520

I. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- 1) Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

Response: There are no less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. These services are already highly utilized by the patients of the West Clinic. It is the applicant's understanding that only one other scanner in the county is a PET/CT, and it is located at Baptist. The benefits of being able to offer PET/CT for cancer patients are numerous, and it is generally considered the standard of care. PET/CT technology integrates the molecular-level diagnostic capabilities of positron emission tomography (PET) with computed tomography (CT) to produce anatomic views, a practice known as image fusion or co-registration. These views allow clinical information from two different exams to be correlated and interpreted on one image, leading to more precise information and accurate diagnoses. PET/CT is prevalent in diagnosing and monitoring progression/regression of cancer.

The integration of these technologies is key to both the early detection of cancer, as well as to the treatment plan to follow. PET/CT scans generally take longer than PET scans because you are using two imaging modalities at one time, rather than just one.

This location in particular benefits the elderly and low income patients and has a higher percentage of them than the Germantown location.

- 2) Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

Response: Not applicable. This project does not involve new construction.

SECTION B: CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

- A. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

Response:

- B. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

A. Positive Effects

Response: The approval of this project will have only positive effects on the existing health care system and area providers. The approval will transfer ownership of existing equipment from Methodist to The West Clinic, and therefore the provision of the services from a HOPD setting to a physician practice setting. As previously stated, this change has the effect of decreasing costs to both payers and patients as the reimbursement to a physician provider is less than that for a HOPD.

B. Negative Effects

Response: There are no negative effects or duplication of services as a result of this project, and its approval will have no effect on any existing providers in the service area because both the PET/CT and linear accelerator services are existing services. In addition, to the applicant's knowledge, the only other PET/CT scanner in the service area is owned and operated by Baptist. A negative effect will occur if the project is not approved because patient will not be allowed to receive these necessary services.

- C. 1) Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

Response: Because these services are already provided, the Applicant already has the necessary clinical leadership and adequate professional staff to provide these important services. Certain of the professional staff are currently employed by Methodist and with the approval and implementation of this project, the Applicant will hire those staff to continue to operate the existing services.

- 2) Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

Response: The Applicant has reviewed and understands all licensing and/or certification requirements of the State as well as the accrediting agencies pursuant to which the West Cancer Center has already received accreditation. The West Cancer Center has accreditations and affiliations from the National Comprehensive Cancer Network, the NCQA, the Commission on Cancer, the Foundation for the Accreditation of Cellular Therapy, Caris Life Sciences (designated as a Center of Excellence), the National Accreditation Program for Breast Centers, and the American Society of Clinical Oncology's Quality Oncology Practice Initiative.

- 3) Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

Response: The Applicant participates in a radiation residency program through UT.

- D. Identify the type of licensure and certification requirements applicable and verify the applicant has reviewed and understands them. Discuss any additional requirements, if

applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure:

Response: Not applicable. This project is not required to be licensed.

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.):

Response: The applicant will be Medicare certified.

Accreditation (i.e., Joint Commission, CARF, etc.):

Response: The West Cancer Center is currently accredited by ACR, and it anticipates that it will continue to be so accredited, even after transfer of ownership of the equipment to the West Clinic.

- 1) If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

Response: Not applicable. The Applicant is not an institution.

- 2) For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected by providing a letter from the appropriate agency.

Response: Not applicable. The Applicant is not an existing provider that is subject to licensure surveys.

- 3) Document and explain inspections within the last three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.

Response: Not applicable.

- a) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

Response: Not applicable.

E. Respond to all of the following and for such occurrences, identify, explain and provide documentation:

- 1) Has any of the following:

- a) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);

Response: No.

- b) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or

Response: No.

- c) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

Response: No.

2) Been subjected to any of the following:

- a) Final Order or Judgment in a state licensure action;

Response: No.

- b) Criminal fines in cases involving a Federal or State health care offense;

Response: No.

- c) Civil monetary penalties in cases involving a Federal or State health care offense;

Response: No.

- d) Administrative monetary penalties in cases involving a Federal or State health care offense;

Response: No.

- e) Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or

Response: No.

- f) Suspension or termination of participation in Medicare or Medicaid/TennCare programs.

Response: No.

- g) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.

Response: No.

h) Is presently subject to a corporate integrity agreement.

Response: No.

F. Outstanding Projects:

- 1) Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

<u>Outstanding Projects</u>					
<u>CON Number</u>	<u>Project Name</u>	<u>Date Approved</u>	<u>*Annual Progress Report(s)</u>		<u>Expiration Date</u>
			<u>Due Date</u>	<u>Date Filed</u>	

*Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

Response: Not applicable.

- 2) Provide a brief description of the current progress, and status of each applicable outstanding CON.

Response: Not applicable.

G. Equipment Registry-For the applicant and all entities in common ownership with the applicant.

- 1) Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)? _____

Response: No. The Applicant does not currently own, lease, operate and/or contract with a mobile vendor for any of the above-referenced services.

- 2) If yes, have you submitted their registration to HSDA? If you have, what was the date of submission?

Response: Not applicable.

- 3) If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission?

Response: Not applicable.

SECTION B: QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the certificate of need, if approved.

Response: The applicant will report annually on measures and forms as prescribed by the Agency, pertaining to this CON if approved.

SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning>). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

A. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

Response: The benefits of being able to offer PET/CT for cancer patients are numerous, and it is generally considered the standard of care. PET/CT technology integrates the molecular-level diagnostic capabilities of positron emission tomography (PET) with computed tomography (CT) to produce anatomic views, a practice known as image fusion or co-registration. These views allow clinical information from two different exams to be correlated and interpreted on one image, leading to more precise information and accurate diagnoses. PET/CT is prevalent in diagnosing and monitoring progression/regression of cancer.

The integration of these technologies is key to both the early detection of cancer, as well as to the treatment plan to follow. The linear accelerators are then used to provide treatment for the identified cancer.

West Cancer Center has clearly demonstrated through the years that it improves the health of the people of Tennessee for oncology services.

B. People in Tennessee should have access to health care and the conditions to achieve optimal health.

Response: The provision of these services by The West Cancer Center enables Tennesseans in Shelby County and the surrounding areas, convenient access to vital health care services in the diagnosis and treatment of cancer. In addition, this location treats a high percentage of Medicare and TennCare patients.

- C. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

Response: West Cancer Center is the region's comprehensive leader in adult cancer care and research, delivering a complete continuum of care to more than 30,000 individuals each year. A multidisciplinary team approach coupled with a full-spectrum of care and support services ensures that its patients are receiving the most innovative – and comprehensive – care available. The approval of this project will result in continuing to provide the same services to the existing patient population, while at the same time reducing costs to the payors and the patients because the reimbursement for these services provided in a physician office place of service is less than when they are provided in a hospital outpatient department.

- D. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

Response: The West Clinic monitors the services it provides to ensure high quality care is provided and ensures that the standards it has set are met by the West Cancer Center.

- E. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

Response: It is not necessary for the applicant to develop or recruit the quality workforce that is necessary to provide these services, but it does anticipate hiring those employees currently providing the services from Methodist and working hard to retain them.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

Response: Please see attached proof of publication which occurred in The Commercial Appeal on Friday, August 10, 2018.

NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)

Note that T.C.A. §68-11-1607(c)(9)(A) states that "...Within ten (10) days of the filing of an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

<u>Phase</u>	<u>Days Required</u>	<u>Anticipated Date [Month/Year]</u>
1. Initial HSDA decision date		10/2018
2. Architectural and engineering contract signed		
3. Construction documents approved by the Tennessee Department of Health		
4. Construction contract signed		
5. Building permit secured		
6. Site preparation completed		
7. Building construction commenced		
8. Construction 40% complete		
9. Construction 80% complete		
10. Construction 100% complete (approved for occupancy)		
11. *Issuance of License		
12. *Issuance of Service	70 days	1/2019
13. Final Architectural Certification of Payment	N/A	N/A
14. Final Project Report Form submitted (Form HR0055)	130 days	3/2019

*For projects that **DO NOT** involve construction or renovation, complete Items 11 & 12 only.

NOTE: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date

AUG 15'18 PM 4:30

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

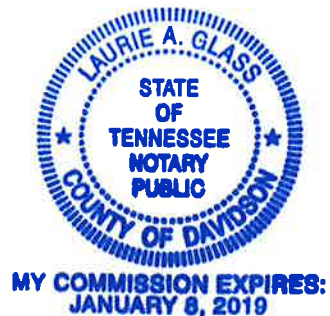
Kim H. Looney, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

Kim H. Looney
SIGNATURE/TITLE

Sworn to and subscribed before me this 15th day of August, 2018, a Notary Public in and for the County/State of Tennessee.

Laurie A. Glass
NOTARY PUBLIC

My commission expires, January 8, 2019.



Attachment A-4

Corporate Documents



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

WALLER LANSDEN DORTCH
STE 2700
511 UNION ST
NASHVILLE, TN 37219-1791

Request Type: Certified Copies

Request #: 286114

Issuance Date: 08/14/2018

Copies Requested: 1

Document Receipt

Receipt #: 004241061

Filing Fee: \$20.00

Payment-Check/MO - WALLER LANSDEN DORTCH, NASHVILLE, TN

\$20.00

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that **THE WEST CLINIC, P.C.**, Control # 263666 was formed or qualified to do business in the State of Tennessee on 03/11/1993. THE WEST CLINIC, P.C. has a home jurisdiction of TENNESSEE and is currently in an Active status. The attached documents are true and correct copies and were filed in this office on the date(s) indicated below.

Tre Hargett
Secretary of State

Processed By: Michelle Holloway

The attached document(s) was/were filed in this office on the date(s) indicated below:

<u>Reference #</u>	<u>Date Filed</u>	<u>Filing Description</u>
2659-1307	03/11/1993	Initial Filing
2686-2170	04/28/1993	Articles of Amendment
2819-0753	03/24/1994	CMS Annual Report Update
3202-3331	08/09/1996	Articles of Amendment
3852-0712	03/14/2000	1999 Annual Report (Due 04/01/2000)
4073-1736	12/19/2000	Merger
4144-1708	03/12/2001	Assumed Name
4148-0063	03/15/2001	2000 Annual Report (Due 04/01/2001)
4459-2217	03/26/2002	2001 Annual Report (Due 04/01/2002)
4765-1372	03/25/2003	2002 Annual Report (Due 04/01/2003)
5093-0496	03/31/2004	2003 Annual Report (Due 04/01/2004)
5427-0575	04/01/2005	2004 Annual Report (Due 04/01/2005)
5678-0682	02/06/2006	Assumed Name Renewal
5747-2479	03/31/2006	2005 Annual Report (Due 04/01/2006)

The attached document(s) was/were filed in this office on the date(s) indicated below:

<u>Reference #</u>	<u>Date Filed</u>	<u>Filing Description</u>
5900-2134	12/12/2006	Articles of Amendment
5907-0443	12/28/2006	Merger
6012-0980	03/30/2007	2006 Annual Report (Due 04/01/2007)
6080-0070	06/26/2007	Assumed Name
6085-2206	07/05/2007	Assumed Name
6261-2542	03/26/2008	2007 Annual Report (Due 04/01/2008)
6479-2015	03/18/2009	2008 Annual Report (Due 04/01/2009)
A0012-2323	03/24/2010	2009 Annual Report (Due 04/01/2010)
A0063-2526	03/24/2011	2010 Annual Report (Due 04/01/2011)
A0111-0277	03/22/2012	2011 Annual Report (Due 04/01/2012)
7050-2792	05/02/2012	Assumed Name Cancellation
7109-2003	10/29/2012	Registered Agent Change (by Entity)
A0161-1390	03/13/2013	2012 Annual Report (Due 04/01/2013)
A0226-2592	03/26/2014	2013 Annual Report (Due 04/01/2014)
B0065-6669	03/11/2015	2014 Annual Report (Due 04/01/2015)
B0133-1340	08/10/2015	Assumed Name
B0211-4308	03/08/2016	2015 Annual Report (Due 04/01/2016)
B0359-4193	03/08/2017	2016 Annual Report (Due 04/01/2017)
B0515-7913	03/14/2018	2017 Annual Report (Due 04/01/2018)

CHARTER

OF

W.T.S.W., P.C.

SECRETARY OF STATE

The undersigned, acting as the incorporator under the Tennessee Business Corporation Act, adopts the following charter for such corporation:

1. The name of the corporation is W.T.S.W., P.C.
2. The corporation is authorized to issue One Thousand (1,000) shares of common stock, \$.01 par value per share, which shares collectively shall have unlimited voting rights and the right to receive the net assets of the corporation upon dissolution.
3. The street address and zip code of the corporation's initial registered office is:

1775 Moriah Woods Blvd.
 Suite 5
 Memphis, Tennessee 38117
4. The corporation's initial registered office is located in Shelby County, Tennessee.
5. The name of the corporation's initial registered agent at that office is Kurt W. Tauer, M.D.
6. The name, address and zip code of the incorporator is:

Kurt W. Tauer, M.D.
 1775 Moriah Woods Blvd.
 Suite 5
 Memphis, Tennessee 38117
7. The street address and zip code of the principal office of the corporation is:

1775 Moriah Woods Blvd.
 Suite 5
 Memphis, Tennessee 38117
8. The corporation is for profit.
9. The corporation is organized for the purpose of engaging in the practice of medicine and all necessary activities related thereto.
10. The corporation elects to be governed by the provisions of the Tennessee Professional Corporation Act, T.C.A. 48-3-401, et seq.
11. A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) for unlawful distributions under Section 48-18-304 of the Tennessee Business Corporation Act. If the Tennessee Business Corporation Act is amended after the filing of this charter to authorize corporate action further eliminating or limiting the personal liability of the directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Tennessee Business Corporation Act, as so amended.

Any repeal or modification of the foregoing paragraph by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

SECRETARY OF STATE

12. The names and address of the individuals who shall constitute the corporation's initial board of directors are:

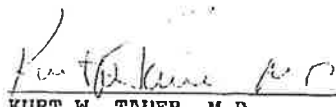
William H. West, M.D.
1775 Moriah Woods Blvd.
Suite 5
Memphis, Tennessee 38117

Kurt W. Tauer, M.D.
1775 Moriah Woods Blvd.
Suite 5
Memphis, Tennessee 38117

Lee S. Schwartzberg, M.D.
1775 Moriah Woods Blvd.
Suite 5
Memphis, Tennessee 38117

Alva B. Weir, III, M.D.
1775 Moriah Woods Blvd.
Suite 5
Memphis, Tennessee 38117

DATED: 26-53


KURT W. TAUER, M.D.

2586 2170

ARTICLES OF AMENDMENT TO THE CHARTER

OF

W.T.S.W., P.C.

93 APR 28 AM 10:03

RECEIVED
JUL 1 1993
SECRETARY OF STATE

CHANGING THE CORPORATE NAME

TO THE SECRETARY OF STATE OF THE STATE OF TENNESSEE:

Pursuant to the provisions of Section 48-3-406 of the Tennessee Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Charter:

1. The name of the corporation is: W.T.S.W., P.C.
2. The amendment adopted is:

Paragraph 1 of the Charter is deleted and the following is inserted:
 1. The name of the corporation is The West Clinic, P.C.
3. The amendment was duly adopted at a meeting of the directors on March 12, 1993.
4. The amendment is to be effective when these Articles are filed by the Secretary of State.

Dated: 4/28/93

W.T.S.W., P.C.,
a Tennessee Professional Corporation

By: [Signature]

President



**CORPORATION ANNUAL REPORT
STATE OF TENNESSEE
SECRETARY OF STATE
SUITE 1800, JAMES K. POLK BUILDING
NASHVILLE, TN 37243-0306**

2024-10-10 10:15:13

FILING FEE - \$10.00; PRIVILEGE TAX - \$10.00; TOTAL AMOUNT DUE \$20.00

CURRENT FISCAL YEAR CLOSING MONTH: 03

IF DIFFERENT,

CORRECT MONTH IS: DECEMBER

THIS REPORT IS DUE ON OR BEFORE 07/01/94

(1) SECRETARY OF STATE CONTROL NUMBER: 0263666

OR FEDERAL EMPLOYER IDENTIFICATION NUMBER: 62-1526296

(2A) NAME AND MAILING ADDRESS OF CORPORATION:

THE WEST CLINIC, P.C.
SUITE 5, 1775 MORIAH
WOODS BLVD
MEMPHIS, TN 38117

(2B) STATE OR COUNTRY OF INCORPORATION:

TENNESSEE

(2C) ADD OR CHANGE MAILING ADDRESS:

D 03/11/1993 FOR PROFIT

(3) A. PRINCIPAL ADDRESS INCLUDING CITY, STATE, ZIP CODE:

SUITE 5, 1775 MORIAH, WOODS BLVD, MEMPHIS, TN 38117

B. CHANGE OF PRINCIPAL ADDRESS:

STREET

CITY

STATE

ZIP CODE + 4

**** BLOCKS 4A AND 4B MUST BE COMPLETED OR THE ANNUAL REPORT WILL BE RETURNED ****

(4) A. NAME AND BUSINESS ADDRESS, INCLUDING ZIP CODE, OF THE PRESIDENT, SECRETARY AND OTHER PRINCIPAL OFFICERS.
(ATTACH ADDITIONAL SHEET IF NECESSARY.)

TITLE	NAME	BUSINESS ADDRESS	CITY, STATE, ZIP CODE + 4
PRESIDENT	<u>WILLIAM H. WEST, MD</u>	<u>1775 MORIAH WOODS #5</u>	<u>MEMPHIS TN 38117</u>
SECRETARY	<u>LEE S. SCHWARTZBERG, MD</u>	<u>1775 MORIAH WOODS #5</u>	<u>MEMPHIS TN 38117</u>
V-PRES	<u>ALVA B. WEIR, III, MD</u>	<u>1775 MORIAH WOODS #5</u>	<u>MEMPHIS TN 38117</u>
V-PRES	<u>KURT W. TAUER, MD</u>	<u>1775 MORIAH WOODS #5</u>	<u>MEMPHIS TN 38117</u>

B. BOARD OF DIRECTORS (NAMES, BUSINESS ADDRESS INCLUDING ZIP CODE). (ATTACH ADDITIONAL SHEET IF NECESSARY.)

☒ SAME AS ABOVE

☐ NONE

OR LIST BELOW:

NAME

BUSINESS ADDRESS

CITY, STATE, ZIP CODE + 4

(5) A. NAME OF REGISTERED AGENT AS APPEARS ON SECRETARY OF STATE RECORDS:

KURT W. TAUER, M.D.

B. REGISTERED ADDRESS AS APPEARS ON SECRETARY OF STATE RECORDS:

SUITE 5, 1775 MORIAH, WOODS BLVD, MEMPHIS, TN 38117

(6) INDICATE BELOW ANY CHANGES TO THE REGISTERED AGENT NAME AND/OR REGISTERED OFFICE.

(BLOCK 5A AND/OR 5B.) THERE IS AN ADDITIONAL \$10.00 FILING FEE AND \$10.00 PRIVILEGE TAX FOR A TOTAL OF \$20.00 REQUIRED FOR CHANGES MADE TO THIS INFORMATION.

A. CHANGE OF REGISTERED AGENT:

B. CHANGE OF REGISTERED OFFICE:

STREET

CITY

STATE

ZIP CODE + 4

COUNTY

(7) A. THIS BOX APPLIES ONLY TO NONPROFIT CORPORATIONS. OUR RECORDS REFLECT THAT YOUR NONPROFIT CORPORATION IS A PUBLIC BENEFIT OR A MUTUAL BENEFIT CORPORATION AS INDICATED BELOW:

IF BLANK OR CHANGE, PLEASE CHECK APPROPRIATE BOX:

☐ PUBLIC

☐ MUTUAL

B. IF A TENNESSEE RELIGIOUS CORPORATION, PLEASE CHECK BOX UNLESS OTHERWISE INDICATED.

☐ RELIGIOUS

(8) SIGNATURE

Kurt W. Tauer

(9) DATE

3/21/94

(10) TYPE/PRINT NAME OF SIGNER:

KURT W. TAUER MD

(11) TITLE OF SIGNER

VICE PRESIDENT

**** THIS REPORT MUST BE DATED AND SIGNED ****

ARTICLES OF AMENDMENT TO THE CHARTER

of

THE WEST CLINIC, P.C.

CHANGING THE NUMBER OF SHARES AUTHORIZED TO BE ISSUED

Pursuant to the provisions of Section 48-20-106 of the Tennessee Business Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is THE WEST CLINIC, P.C..
2. The text of the amendment adopted is as follows:

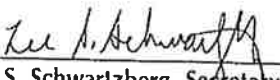
Article 2 shall be amended to read as follows:

The Corporation is authorized to issue Two Thousand (2,000) shares of common stock, \$.01 par value per share, which shares collectively shall have unlimited voting rights and the right to receive the net assets of the Corporation upon dissolution.

3. The amendment was adopted on January 31, 1995.
4. The amendment was duly adopted by the shareholders.

Dated: January 31, 1995.

THE WEST CLINIC, P.C.



Lee S. Schwartzberg, Secretary

WRITTEN CONSENT TO MERGE

W.T.S., P.C.

INTO

THE WEST CLINIC, P.C.

The undersigned being the Directors of W.T.S., P.C. and the Directors of THE WEST CLINIC, P.C., hereby adopt the following resolution by this written consent, pursuant to Section 48-18-202 of the Tennessee Business Corporation Act and Section 48-101-622 of the Tennessee Professional Corporation Act:

RESOLVED, that by the Agreement and Plan of Merger attached hereto and incorporated herein by reference, W.T.S., P.C. shall be merged into THE WEST CLINIC, P.C., such merger to take effect on the effective date of the Articles of Merger and Agreement and plan of Merger.

IN WITNESS WHEREOF, I have executed this Consent this the 1st day of January, 2000.

W.T.S., P.C.,
A Tennessee Professional Corporation

By: Lee Schwartzberg
Lee Schwartzberg, M.D., Secretary

DIRECTORS OF W.T.S., P.C.

Kurt Tauer
Kurt Tauer, M.D.

Lee Schwartzberg
Lee Schwartzberg, M.D.

THE WEST CLINIC, P.C.,
A Tennessee Professional Corporation

By: Kurt Tauer
Kurt Tauer, M.D., Secretary

DIRECTORS OF THE WEST CLINIC,

Kurt Tauer
Kurt Tauer, M.D.

Lee Schwartzberg
Lee Schwartzberg, M.D.

Alva B. Weir, III
Alva B. Weir, III, M.D.

Benton Wheeler
Benton Wheeler, III, M.D.

Linda Smiley
Linda Smiley, M.D.

Guy Photopolis
Guy Photopolis, M.D.

APPLICATION FOR REGISTRATION

2001 MAR 12 PM 1:09

OF

SECRETARY OF STATE

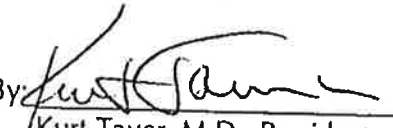
ASSUMED CORPORATE NAME

Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act, the undersigned corporation hereby submits this application:

1. The true name of the corporation is **THE WEST CLINIC, P.C.**
2. The state of incorporation is Tennessee.
3. The corporation intends to transact business in Tennessee under an assumed corporate name.
4. The assumed corporate name the corporation proposes to use is **WEST CANCER CLINIC.**

Dated: February 7, 2001

THE WEST CLINIC, P.C.

By: 
Kurt Tauer, M.D., President

Attachment A-6-A
Lease Agreement
Deed

LEASE AGREEMENT

UNION AVENUE – MEMPHIS PROPERTY

THIS LEASE AGREEMENT ("Lease") is made effective as of the date set forth below and is by and between CORE MEMPHIS LLC, an Ohio limited liability company, having an office at 1515 Lake Shore Drive, Suite 225, Columbus, Ohio 43204 ("Landlord"), and WEST UNION PARTNERS, LLC, a Tennessee limited liability company, having an office at 100 N. Humphreys Blvd., Memphis, Tennessee 38120 ("Tenant").

1. Premises Demised.

(a) Landlord hereby leases and demises to Tenant, and Tenant hereby leases from Landlord, the following property: those certain parcels of land consisting of: (i) approximately 1.357 acres in Shelby County, Tennessee, identified as parcel number 01702800011C by the Shelby County, Tennessee Assessor of Property and commonly known as 1580 Union Avenue, Memphis, Tennessee 38104; (ii) approximately 0.23 acres in Shelby County, Tennessee, identified as parcel number 01702800017C by the Shelby County, Tennessee Assessor of Property and without a municipal street number on South Willett Street, Memphis, Tennessee 38104; and (iii) approximately 0.21 acres in Shelby County, Tennessee, identified as parcel number 01702800013C by the Shelby County, Tennessee Assessor of Property and without a municipal street number on South Willett Street, Memphis, Tennessee 38104 (collectively, the "Memphis Property") as more particularly described on Exhibit "A" attached hereto and made apart hereof, together with all rights, privileges, easements, hereditaments, tenements and rights-of-way appurtenant to, or used in connection with, the beneficial use and enjoyment of said land, including, without limitation, all right, title and interest, if any, of Landlord in and to all water rights, open or proposed highways, streets, roads, avenues, alleys, easements, strips, gores or rights-of-way, ingress and egress, in, on, across, under, in front of, contiguous to, abutting, adjoining or otherwise benefiting said parcels of land (the Memphis Property, together with all of the foregoing, collectively, the "Land"), together with all buildings, fixtures and other improvements located on the Land as the same are shown on the site plans attached hereto as Exhibit "B" (collectively, the "Buildings"), which Land and Buildings are leased together with any and all Personal Property contained therein and thereon. The Land, the Buildings and the Personal Property are hereinafter sometimes referred to collectively as the "Property". As used herein, the terms "Personal Property" and "Excluded Assets" shall have the meanings ascribed to those terms in that certain Purchase and Sale Agreement, having an Effective Date of November 22, 2010, as the same is amended, by and between Tenant as "Seller" and Landlord as "Buyer" thereunder (the "Purchase Agreement").

(b) Landlord hereby grants to Tenant during the Term, a license to use on a non-exclusive basis, the Intangibles (as defined in the Purchase Agreement), as the same may be amended or replaced from time to time to the extent that the same may be necessary for Tenant's use and occupancy of the Property in accordance with the terms of this Lease. Nothing herein shall modify the provisions of the Purchase Agreement with respect to the Intangibles.

(c) Landlord and Tenant shall cooperate with one another in good faith to determine whether Landlord and Tenant will terminate the Operating Agreements (as defined in the Purchase Agreement) or assign the Operating Agreements to Tenant effective on the Commencement Date; the parties acknowledge that some Operating Agreements would not be appropriate to terminate because the services provided thereunder are services that Tenant will continue to need during the Term, however, all costs and expenses arising under the Operating Agreements shall be paid by Tenant inasmuch as this is an

absolute net lease pursuant to which Tenant shall be responsible for paying all expenses arising in connection with the ownership and operation of the Property as more particularly set forth herein.

2. Term. The term of this Lease (the "Term") shall commence on the Closing Date as defined in the Purchase Agreement (the "Commencement Date") and shall expire at 11:59 p.m. on February 28, 2031 (the "Expiration Date"). As used in this Lease, "Lease Year" shall mean each twelve-month period commencing on the same day and month as the Commencement Date of each year that this Lease is in effect.

3. Rental. Tenant agrees to pay Landlord base annual rent of \$319,102 during the first Lease Year with annual increases of 1.5% for each Lease Year thereafter (the "Base Annual Rent"). Accordingly, the Base Annual Rent for the Term of the Lease shall be as set forth below:

<u>Lease Year</u>	<u>Base Annual Rent</u>	<u>Monthly Base Annual Rent</u>
1	\$319,102	\$26,592
2	\$323,889	\$26,991
3	\$328,747	\$27,396
4	\$333,678	\$27,807
5	\$338,683	\$28,224
6	\$343,763	\$28,647
7	\$348,920	\$29,077
8	\$354,154	\$29,513
9	\$359,466	\$29,956
10	\$364,858	\$30,405
11	\$370,331	\$30,861
12	\$375,886	\$31,324
13	\$381,524	\$31,794
14	\$387,247	\$32,271
15	\$393,056	\$32,755
16	\$398,952	\$33,246
17	\$404,936	\$33,745
18	\$411,010	\$34,251
19	\$417,175	\$34,765
20	\$423,433	\$35,286

The Base Annual Rent shall be payable monthly, in advance, in twelve equal installments as set forth in the chart above, with each monthly installment payable on the first day of each month during each Lease Year. The Base Annual Rent shall be payable without deduction or offset, excepting in the specific instances of: (i) Landlord's default under any loan, security agreement, deed of trust, mortgage or other agreement, the security for which is the Property (provided Tenant shall not have such deduction or offset rights during the occurrence of an Event of Default); or (ii) Landlord's failure to comply with the provisions of Paragraphs 8(b) and 9(b) (collectively the "Permitted Offsets"). Commencing as of the Commencement Date, in addition to the Base Annual Rent and except as specifically provided in Paragraphs 8(b) and 9(b) hereunder, Tenant shall also pay all costs and expenses of every kind and nature whatsoever, ordinary and extraordinary, arising out of or in connection with the ownership, maintenance, repair, replacement, use and occupancy of the Property during the Term of this Lease in a manner as

historically maintained by Tenant (and its permitted occupants) as a first class medical office building in the community the Property is located and as it currently being operated, which shall include those costs and expenses which, except for the execution and delivery hereof, would otherwise have been payable by Landlord inasmuch as Landlord and Tenant intend for this Lease to be an "absolute triple net lease" (the foregoing costs and expenses, together with all other expenses to be paid by Tenant hereunder, hereinafter, collectively, the "Additional Rent"). As used in this Lease, "Rent" shall mean the Base Annual Rent and the Additional Rent. Rent for any partial month during the Term of this Lease shall be prorated on a per diem basis. Tenant acknowledges that its obligations under this Lease to pay Rent payable or otherwise accruing during the Term of this Lease, are absolute and unconditional, and shall continue in full force and effect without abatement or offset (excepting only the Permitted Offsets) of any nature whatsoever regardless of any inability of Tenant to use the Property (or any portion thereof) for any reason whatsoever including, without limitation, war, acts of God, storms, governmental regulations, strike, other labor troubles, loss, damage, destruction, loss of possession or right of possession, disrepair, obsolescence, failure of the Property to properly operate for any cause and at any time, improper installation or condition, suitability or adaptability of the Property for Tenant's cause or purpose, or any other cause whatsoever.

Tenant acknowledges that its late payment of any Rent will cause Landlord to incur certain costs and expenses not contemplated under this Lease, the exact amount of which is extremely difficult or impractical to determine. Therefore, if any payment of Rent is not received by Landlord within ten (10) days of when due, Tenant shall immediately pay to Landlord a late charge equal to One Thousand and No/100 Dollars (\$1,000.00) (the "Late Charge"). In addition, if any Rent is received by Landlord later than ten (10) days after the same is due then the amount due shall bear interest from the eleventh (11th) day after the date due until the same shall be paid, at a rate per annum (the "Interest Rate") equal to Five Percent (5%) plus the prime rate quoted by J.P. Morgan Chase Bank, New York, New York, or its successor (the "Interest Charge"). Landlord and Tenant agree that the Late Charge and the Interest Charge represent a reasonable estimate of costs and expenses incurred by Landlord, and is fair compensation to Landlord for, its loss suffered by such non-payment by Tenant; provided, however, that payment of the same shall not limit any remedies available to Landlord pursuant to this Lease or at law or in equity.

4. Delivery of Possession; Condition of Property. Landlord shall deliver exclusive possession of the Property to Tenant on the Commencement Date. Tenant shall take possession of the Property and accepts the same in its "AS IS" and "WHERE IS" and "WITH ALL FAULTS" condition, and Tenant acknowledges that Landlord, its agents, attorneys, representatives and employees have not and do not make any representations or warranties, express or implied, to Tenant regarding the Property, including, but not limited to: (i) the size, area, use or type of the Property or the fitness of the Property for any intended or particular use; (ii) any financial information pertaining to the operation of the Property; (iii) the presence or absence of any rights of any governmental authority, or of owners of property in the vicinity of the Property, to obtain reimbursement, recapture or special assessments from any owner of the Property for all or a portion of the cost of any utilities, roads or other improvements heretofore or hereafter located on or in the vicinity of the Property, any and all such representations and warranties, express or implied, being hereby expressly waived by Tenant and disclaimed by Landlord.

5. Use. Tenant shall have the unfettered and unconditional right to use and occupy the Property for medical office use and uses accessory to or incidental to the foregoing and for no other purpose without the advance written consent of Landlord. Tenant shall have the right to use the Property for the foregoing uses twenty-four (24) hours per day, seven (7) days per week, and three hundred sixty five (365) days per year. Notwithstanding the foregoing, Landlord acknowledges and agrees that the use of the Property is intended to be broad enough so as to accommodate all of the operations related to Tenant (and its Permitted Sublessees) provided they are related to the medical field or industry and including by way of example (and not limitation), those services affecting all medical related services

(and whether performed directly or indirectly), clinical research activities, tissue or biobanking activities or those services rendered pursuant to any services agreements as described in 42 CFR § 411.350 et seq.

6. Compliance with Legal Requirements. Tenant, at its sole cost and expense, shall comply with all applicable Legal Requirements in every case with respect to the Property, including cases where Legal Requirements mandate repairs, alterations, changes or additions to the Property all of which shall be performed by Tenant at its sole cost and expense. As used herein, the term "Legal Requirement" shall mean any and all applicable laws, statutes, ordinances, orders, codes, rules and regulations of all federal, state, county, city and local governmental or quasi-governmental bodies, departments and agencies, relating to the Property or any part thereof or related to the uses contemplated by Tenant or any Permitted Sublessee (as hereinafter defined).

7. Environmental Compliance. Tenant shall comply with all applicable Environmental Laws insofar as they pertain to Tenant's use of the Property or to existing environmental conditions affecting the Property for which Tenant is responsible under the Purchase Agreement (it being the intent of the parties not to alter the terms of the Purchase Agreement). Tenant and Landlord shall promptly provide written notice to one another upon learning of any material, unpermitted Releases after the Commencement Date at, on or under the Property that constitute a violation of Environmental Laws. Except in accordance with applicable Environmental Laws, Tenant shall not generate, store, handle, transport, treat, dispose of or use on the Property any Hazardous Materials. Tenant shall defend, indemnify and save Landlord harmless from any claims, fines, penalties, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees, expert witness fees and other costs of defense) which arise from Tenant's breach of its representations, warranties, covenants and agreements contained in this Paragraph 7 and from any Release of Hazardous Materials that may occur on the Property during the Term. Tenant's covenants and obligations under this Paragraph 7 shall survive the Expiration Date or earlier termination of this Lease. As used herein, the term "Environmental Laws" shall mean: all federal, state, and local laws, statutes, ordinances and regulations, now or hereafter in effect, related to the protection of human health, safety, the environment and natural resources, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et. seq.), the Hazardous Material Transportation Act, as amended (49 U.S.C. Sections 5102, et. seq.), the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. Sections 136, et. seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et. seq.), the Toxic Substance, Control Act, as amended (42 U.S.C. Sections 7401, et seq.), the Clean Air Act, as amended (42 U.S.C. Sections 7401, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251 et. seq.), the Occupational Safety and Health Act, as amended (29 U.S.C. Sections 651, et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. Sections 300f, et seq.), any state or local counterpart or equivalent of any of the foregoing and any Federal, state or local transfer of ownership notification if approval statutes. As used herein, the term "Hazardous Material" shall mean those substances included within the definitions of any one or more of the terms "hazardous materials," "hazardous wastes," "hazardous substances," "industrial wastes," and "toxic pollutants," as such terms are defined under the Environmental Laws, and any other substance regulated by an Environmental Law or deemed by any Environmental Law to be "hazardous", "toxic", a "contaminant", a "waste" or a "pollutant" and underground storage tanks. As used herein, the term "Release" shall mean release, presence, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Material into the indoor or outdoor environment.

8. Maintenance, Repairs and Replacements.

(a) During the Term of the Lease (and except as provided in Paragraphs 8(b) and 9(b) below), Tenant shall, at its sole cost and expense, perform diligently, promptly and in a good and workmanlike manner in compliance with all applicable Legal Requirements, all maintenance, repairs and

replacements to the Property as it is the intention of the parties that all maintenance, repair, replacement and other work with respect to the Property shall be Tenant's sole responsibility at Tenant's sole cost and expense and Landlord shall have no obligations with respect thereto. Landlord shall not be required to furnish any services or facilities whatsoever to the Property, and Tenant hereby assumes full and sole responsibility for condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Property. Except as provided in Paragraphs 8(b) and 9(b) below, Tenant shall, at its sole cost and expense, promptly make all necessary repairs and replacements, structural or otherwise, ordinary as well as extraordinary, foreseen as well as unforeseen, in and to the Property, including, without limitation, the entire interior and exterior of the Buildings, the structural components of the Buildings, including, without limitation, the roof, roofing system, flashings, gutters and downspouts, bearing walls, support beams, foundations, columns, exterior doors and windows and lateral support to the Buildings, heating, ventilation and air conditioning systems and electrical and mechanical lines and equipment associated therewith, wherever the same may exist on the Property, life safety systems on the Property, lawn irrigation systems, plumbing (including, without limitation, sanitary sewers and stormwater drainage facilities), interior and exterior walls, windows and glass, driveways, sidewalks, private roads, loading docks, trash receptacle areas, parking lots, shrubbery and landscaping, water, sewer, gas and electricity connections, pipes, mains and all other fixtures, machinery, apparatus, equipment and appurtenances now or hereafter belonging to, connected with or used in conjunction with the Property. Tenant shall also keep and maintain the Property, including the Buildings and all sidewalks, parking areas and areas adjacent thereto, safe, secure and clean, specifically including, but not by way of limitation, snow and ice clearance, janitorial services, landscaping and removal of waste and refuse matter.

In addition to the foregoing, Tenant shall, at Tenant's sole cost and expense, procure and maintain preventative maintenance contracts, with copies to Landlord, in customary form and substance for, and with contractors specializing and experienced in, the inspection, maintenance and service of the following equipment and improvements, if any, located on the Property: (i) heating, air conditioning and ventilation equipment, (ii) fire sprinkler and/or standpipe and hose or other automatic fire extinguishing systems, including fire alarm and/or smoke detection, (iii) landscaping and irrigation systems, (iv) roof covering and drain maintenance and (v) asphalt and parking lot maintenance.

All such maintenance, repair and replacement to be performed by Tenant hereunder shall be of first class quality and sufficient for the proper maintenance and operation of the Property so as to cause the Property to be maintained as a first class medical office building in the community the Property is situated as is currently being operated. If Landlord shall have given Tenant written notice of Tenant's failure to perform any maintenance, repair, replacement or other work which Tenant is required to perform under this Lease, and Tenant has not taken such reasonable steps to remedy the same for sixty (60) days following written notice as aforesaid (or if such default is of such nature as the same cannot be cured within said sixty (60) day period, then if Tenant shall not have promptly commenced to cure such default and thereafter prosecuted the curing of such default to completion with due diligence), Landlord may, at its option, at any time thereafter perform such work and cure such default for the account of Tenant; provided, however, that performance of the same shall not limit any other remedies available to Landlord pursuant to this Lease or at law or in equity. Following expiration of the curative periods described, Tenant agrees to reimburse Landlord such costs within thirty (30) days of written demand therefor by Landlord. In the event that Tenant fails to make such payment when due, it shall bear interest until paid at the Interest Rate.

(b) Notwithstanding the provisions of Paragraph 8(a) above, beginning in the nineteenth (19th) Lease Year, in the event of a need to replace any capital improvements of the Property as mutually determined by Landlord and Tenant (the "Capital Improvement"), then in such event Tenant and Landlord shall mutually agree upon an amortization of the capital costs associated therewith (the

"Amortization Schedule"). Tenant shall be obligated to pay all costs associated with that portion of the amortized costs of the Capital Improvement to the end of the Term and Landlord shall pay any remainder costs associated therewith. Failing agreement on the Amortization Schedule, Tenant and Landlord agree to make use of the then applicable useful life established for the Capital Improvement in accordance with generally accepted accounting principles consistently applied. In the event Landlord and Tenant disagree as to: (i) the necessity of a Capital Improvement during the nineteenth (19th) and twentieth (20th) Lease Years, (ii) whether an expense should be classified as a Capital Improvement or (iii) the Amortization Schedule, then in any such case either party shall have the right to submit such disagreement to binding arbitration under the following rules. The forum for the arbitration shall be Shelby County, Tennessee. The governing law for the arbitration shall be the law of the State of Tennessee, without reference to its conflicts of laws provisions. There shall be three (3) arbitrators, unless the parties are able to agree on a single arbitrator, that are experienced in resolving such types of disputes. In the absence of such agreement within ten (10) days after the initiation of an arbitration proceeding by either party, Landlord shall select one (1) arbitrator and Tenant shall select one (1) arbitrator, and those two arbitrators shall then select, within ten (10) days, a third arbitrator. If those two arbitrators are unable to select a third arbitrator within such ten-day period, then a third arbitrator shall be appointed by the commercial panel of the American Arbitration Association. The decision in writing of at least two of the three arbitrators shall be final and binding upon the parties. The arbitration shall be administered by the American Arbitration Association. The rules of arbitration shall be the Commercial Arbitration Rules of the American Arbitration Association, as modified by any other instructions that the parties may agree upon at the time, except that each party shall have the right to conduct discovery in any manner and to the extent authorized by the Federal Rules of Civil Procedure as interpreted by the federal courts. If there is any conflict between those rules and the provisions of this section, the provisions of this section shall prevail. The arbitrators' decision shall provide a reasoned basis for the resolution of each dispute and for any award. The award rendered by arbitration shall be final and binding upon the parties, and judgment upon the award may be entered in any court of competent jurisdiction in the United States. The arbitrators shall not have power to award damages in connection with any dispute in excess of actual compensatory damages and shall not multiply actual damages or award consequential or punitive damages or any other form of damages. Each party shall bear its own fees and expenses with respect to the arbitration and any proceeding related thereto and the parties shall share equally the fees and expenses of the American Arbitration Association and the arbitrators.

9. Operating Expenses.

(a) Except as set out in Paragraphs 8(b) and 9(b), all costs and expenses in respect of the ownership, operation, cleaning, maintenance, repair, safety, insuring, management and security of the Property shall be the responsibility of Tenant, including, but not limited to:

(i) Salaries, wages and bonuses paid to, and the cost of any hospitalization, medical, surgical, union and general welfare benefits (including group life insurance), any pension, retirement or life insurance plan and other benefits or similar expenses relating to, employees of Tenant for the time engaged by them as workers in the operation, cleaning, repair, safety, management, security or maintenance of the Property;

(ii) Social security, unemployment and other payroll taxes, the cost of providing disability and worker's compensation coverage imposed by any law or regulation, union contract or otherwise in respect of said employees;

(iii) The cost of electricity, gas, steam, water, air conditioning and other fuel and utilities servicing any of the Property;

(iv) The cost of casualty, rent, liability, fidelity, plate glass and any other similar insurance, together with any reasonable deductible, in the amounts and on the terms as set forth herein;

(v) The cost of repairs, maintenance and replacement of the Property in accordance with Paragraph 8 hereof;

(vi) The cost or rental of all building and cleaning supplies, tools, materials and equipment;

(vii) Guard, watchman or other security personnel, service or system;

(viii) Charges of independent contractors, suppliers, vendors and consultants performing work included within this Paragraph 9 or in Paragraph 8 of this Lease;

(ix) Telephone and stationery;

(x) Legal, accounting and other professional fees incurred by Tenant in connection with the operation and management of the Property;

(xi) Tools and other movable equipment used in the operation, cleaning, repair, safety, management, security or maintenance of the Property;

(xii) Exterior and interior landscaping;

(xiii) Costs incurred for alterations, replacements or improvements to the Property, the repair or replacement of HVAC, mechanical, security, electrical, plumbing systems, or of any substantial component or part of such systems, resurfacing of the parking area or of the driveways on the Property or any other cost which is capital in nature; and

(xiv) Any other costs and expenses in respect of the ownership, operation, cleaning, maintenance, repair, safety, insuring, management and security of the Property.

(b) Notwithstanding the provisions of Paragraphs 8(a) and 9(a) above, the following expenses associated with the operation of the Property shall be borne by Landlord:

(1) Salaries or benefits for Landlord's executives and employees;

(2) Income taxes, franchise, capital or stock taxes, gift or inheritance taxes or any other tax imposed upon or measured by Landlord's income or profits; and

(3) Financing costs of acquisition or hypothecation of the Property, including points, commitment fees, broker's fees, legal fees, and mortgage interest and amortization payments;

(4) Landlord's share of the costs associated with the Capital Improvements as set forth in Paragraph 8(b) above; and

(5) No management fee shall be payable to Landlord.

10. Taxes. Tenant, at its sole cost and expense, agrees to pay all Taxes levied or assessed against the Property that are payable during the Term of this Lease regardless of the time period for which such Taxes are assessed; provided, however, Tenant and Landlord agree to equitably pro-rate the Taxes

that accrue prior to the Commencement Date but that are payable during the Term of the Lease as well as those Taxes that accrue during the Term of the Lease but that are payable following the Expiration Date, such equitable pro-ration to be in accordance with the customary method of pro-rating Taxes in the counties in which the Property is located. Notwithstanding the foregoing, Tenant and Landlord acknowledge that inasmuch as Tenant was the owner of the Property and responsible for payment of the Taxes prior to the Commencement Date pursuant to the Purchase Agreement and inasmuch as Tenant is responsible for payment of the Taxes following the Commencement Date pursuant to the terms of this Lease, no pro-ration of the Taxes shall be necessary as of the Commencement Date inasmuch as Tenant's responsibility for the Taxes both precedes and follows the Commencement Date. Landlord shall deliver to Tenant the tax bills upon receipt of same by Landlord and Tenant shall pay the Taxes directly to the taxing authority at least fifteen (15) days prior to the date on which the Taxes are due and before any delinquency can occur, or to make appropriate reserves for the same for purposes of appealing the Taxes as herein provided. Proof of payment shall be delivered to Landlord at least fifteen (15) days prior to the date on which the Taxes are due. If Tenant fails to pay any Taxes by the due date (or fails to make adequate reserves for the same for purposes of appealing the Taxes as herein provided), then, in addition to any other remedy of Landlord, Landlord may (but shall not be obligated to) pay the same plus any penalties or interest, and Tenant agrees to reimburse Landlord such costs within fifteen (15) days of written demand therefor by Landlord. In the event that Tenant fails to make such payment when due (or to make adequate reserves for the same for purposes of appealing the Taxes as herein provided), it shall bear interest until paid at the Interest Rate. For purposes of Paragraph 10 and, as used in this Lease, "Taxes" shall mean all taxes, assessments (special or otherwise), sewer and water rents, rates and charges, and any other governmental levies, impositions and charges of a similar nature or service payments in lieu thereof and any commercial rental tax (but not including, income taxes, franchise, capital or stock taxes, gift or inheritance taxes or any other tax imposed upon or measured by Landlord's income or profits, or any development or impact fees) which may be levied, assessed or imposed on or in respect of all or any part of the Property or Tenant's Property, together with any penalties or interest payable on account thereof. If at any time during the Term the methods of taxation prevailing at the date hereof shall be altered so that in lieu of or as a substitute for the whole or any part of the Taxes now levied, assessed or imposed on all or any part of the Property, there shall be levied, assessed or imposed (1) a tax or assessment based on the income or rents received therefrom, whether or not wholly or partially as a capital levy or otherwise, or (2) a tax or assessment measured by or based in whole or in part upon all or any part of the Property and imposed on Landlord, then all such taxes and assessments shall also be deemed to be Taxes. Notwithstanding the above, Tenant reserves the right to appeal all Taxes affecting the Property provided an amount equal to the Taxes (plus any statutory additions) are reserved by Tenant and such appeal is conducted in compliance with all applicable Legal Requirements.

Subject to Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, Tenant shall have the right, at its sole cost and expense, to contest the validity or the amount of any Taxes by appropriate proceedings in the applicable jurisdiction, and may defer payments of Taxes (if such deferral may occur without penalty in accordance with applicable Legal Requirements or Tenant shall have made adequate reserves for the same as herein provided), pay same under protest, or take such other steps as Tenant may deem reasonably appropriate, provided the foregoing does not subject Landlord to any penalties or materially adversely affect Landlord's interest in or financing of the Property. Landlord shall cooperate in the institution and prosecution of any such proceedings, at no cost to Landlord, and will execute any documents required therefor without imposing a fee or charge for same upon Tenant. Tenant shall hold Landlord harmless from, and shall be responsible for all Landlord's costs and expenses of, any such contest. All contest proceedings shall be conducted in good faith and with due diligence by Tenant and copies of all pleadings and other related documents involved in the contest shall be submitted to Landlord contemporaneously with the filing with any administrative or judicial body.

11. Utilities. Tenant shall establish in its own name and account and directly pay to the applicable utility companies or governmental agencies for all utilities consumed on the Property during the Term of this Lease, including, but not limited to, electricity, gas, water, sewer, heat, cable, data, telephone, and trash collection. Landlord shall not be liable or responsible for any loss, damage, or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption, or defect in the supply or character of any utility furnished to the Property, or if the quantity or character of such utility supplied by the then utility provider is no longer available or suitable for Tenant's requirements and no such change, failure, defect, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Rent, or relieve Tenant from any of its obligations under the Lease. Tenant waives any and all claims against Landlord and releases Landlord from any liability for damages, direct or indirect, of any kind or nature whatsoever, arising out of or from any change, failure, interference, disruption, unavailability or unsuitability of any utility provided to the Property.

12. Alterations. Tenant shall not cause or permit alterations, additions or improvements in or to the Property ("Alterations") unless Landlord shall have been advised of the same in writing. In the event of any structural or mechanical Alterations, or in the event of any non-structural, non-mechanical Alterations costing in excess of Fifty Thousand and No/100 Dollars (\$50,000.00), Tenant shall in either case deliver plans affecting the same to Landlord for its approval, which approval shall not be unreasonably withheld, conditioned or delayed and must be withheld within fifteen (15) days of receipt of the plans and in the event Landlord shall not deliver to Tenant its rejection of the plans within fifteen (15) days, in writing, then in such event the plans affecting such Alterations shall be deemed approved by Landlord. Tenant may, without Landlord's prior written consent, (i) make non-structural, non-mechanical Alterations to the Property costing less than Fifty Thousand and No/100 Dollars (\$50,000.00), (ii) install Tenant's Property in the Buildings in connection with Tenant's conduction of its business therein, and (iii) make all Alterations necessary in order to maintain licensing, accreditation, approval or certification for any of its operations. All Alterations shall be made in compliance with the following requirements unless Landlord's prior written consent is obtained, which consent may be withheld in Landlord's sole discretion:

(i) The Alterations shall not result in a violation of or require a change in any certificate of occupancy applicable to the Buildings;

(ii) The outside appearance of the Buildings, the structure of the Buildings, the mechanical systems and equipment of the Buildings, and the Buildings' value or its marketability or leaseability shall not be significantly adversely affected;

(iii) All Alterations shall at all times comply with all applicable Legal Requirements and Tenant, at its expense, shall (a) obtain all necessary municipal and other governmental permits, authorizations, approvals and certificates for the construction of such Alterations, (b) deliver a copy of such items to Landlord and (c) cause all Alterations to be constructed in a good and workmanlike manner;

(iv) Throughout the making of all Alterations, Tenant, at its expense, shall carry or cause its contractors to carry (i) workers' compensation insurance in statutory limits covering all persons employed in connection with such Alterations, and (ii) commercial general liability insurance covering any occurrence in or about the Property in connection with such Alterations;

(v) Tenant shall indemnify Landlord against liability for any and all mechanics' and other liens and claims filed in connection with work done by, for or through Tenant. Tenant, at its expense, shall procure the discharge of any such lien within forty-five (45) days after the filing thereof against any part of the Property. If Tenant fails to discharge any such lien within such forty-five (45) day

period, then, in addition to any other right or remedy, Landlord may, upon giving fifteen (15) days prior written notice to Tenant, discharge the same either by paying the amount claimed to be due or by deposit or bonding proceedings if Tenant has not discharged the lien within the fifteen (15) day notice period provided herein. Any amount so paid by Landlord, and all costs and expenses incurred by Landlord in connection therewith, shall be payable by Tenant fifteen (15) days after written notice to Tenant, and in the event that Tenant fails to make such payment when due, it shall bear interest until paid at the Interest Rate; and

(vi) All Alterations and appurtenances attached to or built into the Property (collectively, "Fixtures"), shall be and remain a part of the Property, shall be deemed the property of Landlord as of the date such Fixtures are completed, attached to or built into the Property and shall not be removed by Tenant. Subject to the foregoing, Fixtures shall include electrical, plumbing, heating and sprinkling equipment, fixtures, outlets, venetian blinds, partitions, gates, doors, vaults, paneling, molding, shelving, radiator enclosures, cork, rubber, linoleum and composition floors, ventilating, silencing, air conditioning and cooling equipment, and all fixtures, equipment and appurtenances of a similar nature or purpose. For purposes of this Agreement, Fixtures shall not include Tenant's Property, the Excluded Assets as set out in the Purchase Agreement or such other personal property or equipment of any occupant of the Property used principally in the delivery of clinical, diagnostic or surgical healthcare. Any Alterations which shall involve the removal of any Fixtures shall be promptly replaced, at Tenant's expense and free of superior title, liens, security interests and claims, with like property, of at least equal quality and value. Tenant shall not have any obligation to remove any Alteration upon expiration of the Lease Term.

13. Assignment and Sublease by Tenant.

(a) Tenant shall have the right to assign this Lease or sublet the whole or any part of the Property without the prior written consent of Landlord provided all of the following conditions are satisfied (the "Affiliated Assignment/Sublease"):

(i) Tenant is not in default of its obligations under this Lease beyond any applicable cure period;

(ii) The assignee or sublessee shall be a tenant at will (or such other occupant) of the Property as may minimally be required so as to comply with the provisions of 42 CFR § 411.350 et seq, or such other Legal Requirements affecting Tenant, Guarantor or any Permitted Sublessee;

(iii) Such assignment or sublease will not permit the use of the Property for any purpose forbidden by this Lease;

(iv) As part of the deliverables contemplated in Paragraph 31, Tenant provides Landlord with written notice of such assignment or sublease; and

(v) Such assignment or sublease includes a party which is a corporation, partnership or other entity which controls, is controlled by or is under common control with Tenant and/or Guarantor (a "Tenant/Guarantor Affiliate").

In the event all of the provisions of this Paragraph 13(a) are satisfied, the assignee or sublessee of any such arrangement shall herein be referred to as a "Permitted Sublessee" or collectively as the "Permitted Sublessees".

(b) Tenant shall not have the right to assign this Lease or sublet the whole or any part of the Property without Landlord's prior written consent unless such assignment or sublease strictly complies with all of the conditions set forth in Paragraph 13(a) above. In the event Tenant desires to assign this Lease or sublet the whole or any part of the Property under conditions not strictly in compliance with Paragraph 13(a) above (the "Unaffiliated Assignment/Sublease"), then in such event Tenant shall furnish Landlord with: (A) the name of the proposed assignee or sublessee; (B) the basic business terms of the proposed assignment or sublease; (C) reasonably detailed financial information regarding the creditworthiness of the proposed assignee or subtenant; and (D) a description of the proposed assignee's or sublessee's financial creditworthiness, business skills and reputation so as to assure the same is comparable to that of Tenant and Guarantor and is otherwise reasonably satisfactory to Landlord. In the event Tenant, Landlord and the proposed assignee or sublessee are able to reach an agreement on an Unaffiliated Assignment/Sublease, then in the event of an obligation to pay Rent in excess of that which is reserved hereunder, such excess shall be split evenly between Tenant and Landlord. Consent by Landlord pursuant to this Paragraph 13(b) shall not be deemed, construed or held to be consent to any additional assignment or sublease, but each successive act shall require similar consent of Landlord.

(c) Notwithstanding any Affiliated Assignment/Sublease or any Unaffiliated Assignment/Sublease, Tenant (and Guarantor pursuant to the Guaranty) agree that they shall at all times remain fully responsible and liable for the payment of the Rent and for performance and compliance with all of Tenant's other obligations under this Lease regardless of whether Landlord's approval has been obtained for any such assignments or subletting. For purposes of this Paragraph 13, the following actions shall constitute an Unaffiliated Assignment/Sublease of this Lease and shall require the prior written consent of Landlord as set forth above: (a) any merger, consolidation, reorganization, liquidation or related event involving Tenant or Guarantor, (b) any direct or indirect transfer of membership interests, stock, partnership interests or any other class of equity in Tenant or Guarantor, or the issuance of new membership interests, stock, partnership interests or any other class of equity in Tenant or Guarantor which results in the dilution of the existing ownership of Tenant or Guarantor, so that after giving effect to such transfer or issuance, 50% or more of the equity interests in Tenant or Guarantor have been transferred or issued from and after the Commencement Date, (c) any assignment or transfer by operation of law or otherwise of this Lease or of an ownership interest in Tenant or Guarantor, (d) a sale of all or substantially all of the assets of Tenant or Guarantor, (e) a mortgage, pledge or encumbrance of this Lease or of Tenant's leasehold interest in the Property in any manner or way, whether voluntarily or involuntarily, or (f) any event or occurrence following which use or occupancy of the Property shall be held by anyone other than Tenant, Guarantor a Permitted Sublessee, or a Tenant/Guarantor Affiliate.

(d) In the event an Unaffiliated Assignment/Sublease is made with Landlord's prior written consent, as provided herein, Tenant shall pay Landlord as Additional Rent hereunder, a charge of One Thousand and No/100 Dollars (\$1,000.00) as reimbursement for necessary legal and accounting services required by Landlord to accomplish such assignment or subletting.

14. Transfer of Landlord's Interest. Landlord may freely transfer its right, title and interest in and to the Property and its rights under this Lease and Landlord shall be released from its obligations under this Lease with respect to the Property that accrue after the date of such transfer. In the event Landlord desires to transfer the Property, then: (i) Landlord shall notify Tenant of such transfer and the name and address of the transferee for notices prior to or promptly following such transfer, and (ii) the transferee shall have assumed in writing the obligations of Landlord under this Lease and a copy of the lease assumption documentation shall have been delivered to Tenant.

15. Damage or Destruction. Subject to the Restoration Restriction, Tenant agrees that in case of damage to or destruction of the Property by fire or any other casualty occurring on or after the

Commencement Date it will promptly, at its sole cost and expense, repair, restore or rebuild the same and upon the completion of such repair, restoration or rebuilding, the Property shall be in substantially the same physical condition as was existing prior to the fire or other casualty. Except as provided hereinbelow, Rent shall not abate for any reason during the period of such repair, restoration or rebuilding and during any period that the Property is not tenantable because of any damage or destruction. If any such loss or damage is not fully insured, Tenant shall repair, restore or rebuild at its sole cost and expense. All proceeds of any insurance shall be paid by Tenant's insurer to Tenant so as to cause Tenant to perform the repair, restoration and rebuilding of the Property in accordance with the terms hereof, and Landlord and its mortgagee shall take those steps commercially reasonable to facilitate payment of all such insurance proceeds to Tenant so as to discharge the restoration requirements hereunder. All restoration, repair, rebuilding and other construction performed by or on behalf of Tenant to the Property shall be performed in a good and workmanlike manner, at Tenant's sole cost and expense, and in accordance with all Legal Requirements. Notwithstanding the foregoing, in the event: (i) a Legal Requirement prohibits Tenant from restoration and rebuilding of the Property to such an extent that the Property can not be restored or rebuilt so as to permit the conduction of Tenant's business thereon as determined by Tenant in its good faith, commercially reasonable discretion or (ii) Landlord's mortgagee causes the insurance proceeds to be applied to Landlord's indebtedness rather than to Tenant for performance of the restoration and rebuilding of the Property, the effect of either event thus prohibiting Tenant from restoration and rebuilding of the Property to such an extent that the Property can not be restored or rebuilt so as to permit the conduction of Tenant's business thereon as determined by Tenant in its good faith, commercially reasonable discretion (the "Restoration Restriction"), then Tenant shall provide Landlord with written notice within thirty (30) days of such casualty that provides Landlord with written evidence/documentation in support of the Restoration Restriction. Landlord shall then have thirty (30) days following receipt of Tenant's written notice to provide written notice to Tenant stating whether it is in agreement with the Restoration Restriction (the "Landlord Response Period"). In the event Landlord is in agreement with the Restoration Restriction or fails to respond prior to the expiration of the Landlord Response Period, then in either case this Lease and the Term hereof shall cease and terminate as of the expiration of the Landlord Response Period in which event all proceeds of any insurance shall be paid to Landlord and Tenant agrees to pay over to Landlord any such insurance proceeds that it receives as a result of such casualty (excepting therefrom any insurance proceeds allocable to Tenant's Property, the Excluded Assets or the personal property of any Permitted Sublessees). In the event, however, that Landlord responds during the Landlord Response Period that it disagrees with the Restoration Restriction or in good faith believes that it can take legal or administrative action to terminate the Restoration Restriction, then Landlord, at its sole cost and expense, shall have the right to submit the matter to a court of competent jurisdiction and/or to take such other legal or administrative action as Landlord deems necessary to cause the termination of the Restoration Restriction. If Landlord is unable to cause the termination of the Restoration Restriction within one (1) year of the date of casualty giving rise to the Restoration Restriction (the "Restoration Restriction Appeal Period"), then this Lease and the Term hereof shall cease and terminate as of the expiration of the Restoration Restriction Appeal Period in which event all proceeds of any insurance shall be paid to Landlord and Tenant agrees to pay over to Landlord any such insurance proceeds that it receives as a result of such casualty (excepting therefrom any insurance proceeds allocable to Tenant's Property, the Excluded Assets or the personal property of any Permitted Sublessees). In the event Landlord is able to terminate the Restoration Restriction prior to the expiration of the Restoration Restriction Appeal Period, then this Lease shall continue in full force and effect without modification and all proceeds of any insurance shall be paid to Tenant and Tenant shall perform the repair, restoration and rebuilding of the Property in accordance with the opening clauses of this Paragraph 15. Notwithstanding any proceedings that may take place regarding the Restoration Restriction as set forth above, Rent shall continue and shall not abate until such time, if any, as this Lease and the Term hereof shall cease and terminate as provided in this Paragraph 15. In the event of a casualty causing Tenant to provide Landlord with written notice of a potential Restoration Restriction as set forth above in this Paragraph 15, Tenant agrees to cooperate with Landlord and Landlord's mortgagee in

connection with any commercially reasonable insurance proceeds disbursement procedures required by Landlord's mortgage in connection with the restoration and rebuilding of the Property (e.g., insurance proceeds being placed in escrow with Landlord's mortgagee or a third party title company and disbursed as progress with respect to restoration and rebuilding of the Property occurs). Notwithstanding the foregoing and for purposes of clarification, Landlord and Tenant agree that any proceeds from rental income/business interruption insurance arising as a result of a casualty to the Property shall first be payable to Landlord in such amounts so as to cause the satisfaction of all of Tenant's liabilities hereunder, with the excess of such insurance proceeds, if any, to be payable to Tenant.

16. Eminent Domain.

(a) *Substantial Taking.* If after the Commencement Date of this Lease and prior to the Expiration Date or earlier termination of this Lease, there is a taking of the Property by right or threat of eminent domain which results in the remainder of the Property being unable to be restored to a condition suitable for the conduct of Tenant's business as mutually determined in Landlord and Tenant's good faith, commercially reasonable discretion, then this Lease and the Term hereof shall cease and terminate as of the date of such taking (a "Substantial Taking"). Landlord and Tenant, in good faith, shall negotiate with the condemning authority for a condemnation award in consideration of the Substantial Taking which entire award (including, but not limited to, the value of any fee or leasehold interest) shall be paid to Landlord, except for that portion of the award pertaining to Tenant's Claim as described in Paragraph 16(c) below. All costs incurred by Landlord and Tenant in negotiating with the condemning authority shall be paid by the party incurring such costs. In the event Landlord and Tenant are in disagreement as to whether a taking of the Property qualifies as a Substantial Taking as set forth in this Paragraph 16(a), then at any time prior to the date of such Substantial Taking such matter may be referred by either party to a binding arbitration proceeding on the terms and conditions set forth in Paragraph 8(b) for the sole determination of whether a taking of the Property qualifies as a Substantial Taking and any condemnation proceeds shall be placed in escrow with a third party title company mutually acceptable to Landlord and Tenant for disbursement in accordance with the provisions of this Paragraph 16. In the event the arbitration proceeding determines that the taking qualifies as a Substantial Taking, then this Lease and the Term hereof shall cease and terminate as of the date of such taking and the entire condemnation award (including, but not limited to, the value of any fee or leasehold interest) shall be paid to Landlord, except for that portion of the award pertaining to Tenant's Claim as described in Paragraph 16(c) below. In the event the arbitration proceeding determines that the taking does not qualify as a Substantial Taking, then such taking shall be classified as an Insubstantial Taking and the parties shall proceed as set forth in Paragraph 16(b) below. For purposes of this Paragraph 16(a), in the event Landlord's mortgagee causes the condemnation proceeds to be applied to Landlord's indebtedness rather than to Tenant for performance of the restoration and rebuilding of the Property, regardless of whether the remainder of the Property is able to be restored to a condition suitable for the conduct of Tenant's business as mutually determined in Landlord and Tenant's good faith, commercially reasonable discretion, then such event shall be deemed a Substantial Taking and this Lease and the Term hereof shall cease and terminate as of the date of such taking. However, Tenant agrees to cooperate with Landlord and Landlord's mortgagee in connection with any commercially reasonable condemnation proceeds disbursement procedures required by Landlord's mortgage in connection with the restoration and rebuilding of the remainder of the Property (e.g., condemnation proceeds being placed in escrow with Landlord's mortgagee or a third party title company and disbursed as progress with respect to restoration and rebuilding of the remainder of the Property occurs) and the implementation of such commercially reasonable disbursement procedures shall not give rise to a Substantial Taking provided the remainder of the Property is able to be restored to a condition suitable for the conduct of Tenant's business as mutually determined in Landlord and Tenant's good faith, commercially reasonable discretion.

(b) *Insubstantial Taking.* In the event of a taking of the Property that does not qualify as a Substantial Taking as provided in Paragraphs 16(a) above (the "Insubstantial Taking"), then this Lease and the Term hereof shall continue in full force and effect without modification (except effective on the date of such Insubstantial Taking the portion of the Property taken by the Insubstantial Taking shall no longer be leased by Landlord to Tenant hereunder and no Additional Rent shall be payable by Tenant to Landlord on account of the Property taken by the Insubstantial Taking). Landlord and Tenant, in good faith, shall negotiate with the condemning authority for a condemnation award in consideration of the Insubstantial Taking which award shall be paid to Tenant (the "Restoration Proceeds") and Tenant shall proceed to cause the Restoration of the Property using the Restoration Proceeds. All costs incurred by Landlord and Tenant in negotiating with the condemning authority shall be paid by the party incurring such costs. If the Restoration Proceeds are insufficient for the Restoration, then Tenant shall fund the balance of the amount required for the Restoration and continue in the Lease. The term "Restoration" herein means the prompt restoration of the portion of the Property unaffected by the Insubstantial Taking to an architectural whole in substantially the same condition that the same were in prior to such Insubstantial Taking in accordance with all applicable Legal Requirements.

(c) *Tenant Award.* To the extent permitted by law, Tenant shall be allowed to pursue a claim against the condemning authority ("Tenant's Claim"), that shall be independent of and wholly separate from any action, suit or proceeding relating to any award to Landlord, for reimbursement of relocation expenses or for Tenant's Property, provided: (i) Tenant's Claim shall in no way limit, affect, alter or diminish in any kind or way whatsoever Landlord's award as a result of such taking, sale or condemnation; (ii) Tenant's Claim shall in no event include any claim for any interest in real property, it being expressly understood and agreed that all sums paid with respect to the real property interests taken, sold or condemned shall be the sole property of Landlord, subject to Tenant's receipt of the Restoration Proceeds, and (iii) Tenant shall be awarded the portion of the award allocated to Tenant in said action, suit or proceeding.

(d) *No Eviction or Breach for Insubstantial Takings.* An Insubstantial Taking shall not operate as, or be deemed an eviction of, Tenant or a breach of Landlord's covenant of quiet enjoyment. Tenant hereby waives any statutory rights of termination which may arise by reason of any Insubstantial Taking of the Property.

17. Insurance. From and after the Commencement Date and during the Term of the Lease, Tenant will procure and maintain (i) commercial general liability insurance covering the Property against claims for personal injury and damage to property with a minimum limit of Two Million and No/100 Dollars (\$2,000,000.00) per occurrence and Five Million and No/100 Dollars (\$5,000,000.00) in the aggregate for property damage, personal injuries or deaths of persons occurring in or about the Property, (ii) "Special Form" property insurance on a replacement cost basis for the full insurable value of the Property with such policy including Ordinance and Law coverage without a co-insurance factor, (iii) workers' compensation insurance with no less than the minimum limits required by law, (iv) rental income/business interruption insurance with coverage equal to at least one (1) full year of Rent (and as otherwise available to Tenant (and/or Guarantor) with reference to the business income being insured, (v) flood, earthquake and terrorism coverage if required by Landlord's mortgagee (and only if available at and to the extent of (A) commercially reasonable rates; and (B) the provision of the Terrorism Risk Insurance Program Reauthorization Act of 2007), and (vi) vandalism and malicious mischief insurance in amounts acceptable to Landlord's mortgagee. Each policy required under this Paragraph 17 shall have a deductible of no more than Twenty Five Thousand Dollars (\$25,000.00), excepting only those policies of catastrophe insurance required hereunder which may establish Tenant's deductible ordinarily in amounts substantially larger, and in the event of a loss, Tenant shall pay the amount of such deductible. Tenant's insurance policies shall (a) name Landlord and Landlord's mortgagee as additional insureds on a primary, non-contributory basis, (b) insure on an "occurrence" and not a "claims-made" basis, and (c) not be

cancelable unless thirty (30) days' prior written notice shall have been given to Landlord and Landlord's mortgagee. All of the foregoing insurance policies will be written with companies operated on a non-assessment basis, include a non-contribution clause in their policies, must be licensed to conduct business in the state where the Property is located, maintain the equivalent of an A.M. Best policyholder's rating of "A-" or better and a financial rating of VIII, and provide that each party shall be given a minimum of thirty (30) days written notice by any such insurance company prior to the cancellation or termination. Tenant will deliver to Landlord the foregoing insurance certificates prior to the Commencement Date and evidence of all renewals or replacements thirty (30) days prior to the expiration date of such policies. All such policies may be maintained under a "blanket insurance policy". In addition to the foregoing, Landlord, at its sole cost and expense, shall have the right, but not the obligation, to carry any insurance that it deems necessary in connection with its ownership of the Property.

18. Subrogation and Waiver. Without limiting any release or waiver of liability or recovery contained in this Lease but rather in confirmation and furtherance thereof, Landlord waives all claims for recovery from Tenant, and Tenant waives all claims for recovery from Landlord, for any loss or damage insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance policies. Each party agrees to obtain a waiver of subrogation from their respective insurance companies to have the insurance policies endorsed, if necessary, to prevent the invalidation of the insurance coverages by reason of such mutual waivers.

19. Indemnity. Subject to Paragraph 18 above, Tenant shall defend, indemnify and save harmless Landlord, its affiliates, and their officers, managers, members and partners, against all claims, liabilities, losses, fines, penalties, damages, costs and expenses (including reasonable attorneys' fees and other costs of litigation) because of injury, including death, to any person, or damage or loss of any kind to any property caused by Tenant or Tenant's employees, contractors, agents or representatives use of the Property or by the failure on the part of Tenant to perform its obligations under this Lease, except to the extent caused by the negligence or willful misconduct of Landlord, or Landlord's employees, contractors, agents or representatives. Subject to Paragraph 18 above, Landlord shall defend, indemnify and save harmless Tenant, its affiliates, and their officers, directors, shareholders, members and partners, against all claims, liabilities, losses, fines, penalties, damages, costs and expenses (including reasonable attorneys' fees and other costs of litigation) because of injury, including death, to any person, or damage or loss of any kind to any property caused by the failure on the part of Landlord to perform its obligations under this Lease, except to the extent caused by the negligence or willful misconduct of Tenant, or Tenant's employees, contractors, agents or representatives. The indemnities and limitations set forth in this Paragraph 19 shall survive the expiration or earlier termination of this Lease.

20. Subordination and Non-Disturbance. Landlord may subordinate Tenant's interest in this Lease to the lien of any mortgage which may now or hereafter be placed on the Property. Landlord shall obtain and deliver to Tenant from any future mortgagee or any person having an interest in the Property superior to this Lease (a "Superior Interest"), a written subordination and non-disturbance agreement in commercially reasonable form reasonably acceptable to Tenant (or any other permitted occupant), the form of which shall be substantially similar to that attached hereto as Schedule 20, and the holder of such Superior Interest, providing that so long as Tenant performs all of the terms, covenants and conditions of this Lease and agrees to attorn to the holder of the Superior Interest, Tenant's rights under this Lease shall not be disturbed and shall remain in full force and effect for the Term of the Lease. Landlord shall cause all entities holding a Superior Interest (created in connection with the Closing, as defined in the Purchase Agreement) to deliver to Tenant, on the date of the Closing (as defined in the Purchase Agreement) and in connection therewith, a non-disturbance agreement in accordance with this Paragraph 20.

21. Landlord's Right of Entry. Landlord has the right to enter the Property at any reasonable time upon reasonable prior notice to Tenant or without notice (but with prior verbal notice, if reasonably

practical) in case of emergency. Landlord shall have the right to inspect in good faith the Property to confirm compliance by Tenant with the Lease, to perform any act required of Landlord hereunder, to show the Property to prospective purchasers and mortgagees, and, during the six (6) months prior to Expiration Date, to show the Property to prospective tenants. In exercising its rights under this Paragraph 21, Landlord shall use commercially reasonable efforts to not interfere with or disrupt the normal operation of Tenant's business.

22. Access. Tenant shall have full and unimpaired access to the Property at all times on a twenty-four (24) hours per day, seven (7) days per week, and three hundred sixty five (365) days per year basis.

23. Tenant's Default; Rights and Remedies.

(a) *Event of Default.* The occurrence of any one or more of the following matters constitutes an "Event of Default" by Tenant under this Lease:

(i) Failure by Tenant to pay any installment of Base Annual Rent within ten (10) days after receipt of written notice of such failure to pay on the due date; provided, however, Landlord will agree to give written notice no more than two (2) times in any twelve month period, if any installment of Base Annual Rent is not received timely. Thereafter, no written notice is required to constitute a default;

(ii) Failure by Tenant to pay any Additional Rent within ten (10) days after receipt of written notice of such failure to pay on the date provided herein; provided, however, Landlord will agree to give written notice no more than two (2) times in any twelve month period if any Additional Rent is not received timely. Thereafter, no written notice is required to constitute a default;

(iii) An assignment of this Lease, a sublease of all or any portion of the Property or a related transfer of Tenant's leasehold interest in the Property shall occur in contravention of Paragraph 13 of this Lease;

(iv) Tenant abandons or vacates the Property;

(v) Any representation or warranty made by Tenant or Guarantor under this Lease or the Guaranty or in any report, certificate, financial statement or other agreement furnished by Tenant or Guarantor to Landlord, including, but not limited to, Tenant/Guarantor Financial Information, shall be false in any material respect as of the date such representation or warranty was made;

(vi) Failure by Tenant to maintain the insurance required under this Lease;

(vii) Tenant or Guarantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or other agreement in favor of any creditor or person that may materially adversely affect Tenant's ability to perform its obligations under this Lease or Guarantor's ability to perform its obligations under the Guaranty (as hereinafter defined);

(viii) If Tenant or Guarantor (a) makes an assignment for the benefit of creditors, (b) has a receiver, liquidator or trustee appointed for it, (c) is adjudicated as bankruptcy or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law or any similar federal or state law shall be filed by or against, consented to, solicited by, or acquiesced in by it, or (d) has any proceeding for its insolvency, dissolution or liquidation instituted against it (any of the foregoing in clauses (a) through (d), an "Insolvency Action"); provided, however,

that if such Insolvency Action was involuntary and not consented to by Tenant or Guarantor, such Insolvency Action shall not be an Event of Default unless the same is not discharged, stayed or dismissed within ninety (90) days after the filing or commencement thereof;

(ix) Failure by Tenant or Guarantor to observe or perform any other covenant, agreement, condition or provision of this Lease not otherwise referred to in this Paragraph 23(a), if such failure continues for thirty (30) days after receipt of written notice from Landlord to Tenant or Guarantor, except that if the failure cannot be cured within the thirty (30) day period, it shall not be considered an Event of Default if Tenant or Guarantor commences to cure such failure within such thirty (30) day period and proceeds diligently thereafter to seek to effect such cure;

(x) The occurrence of an "Event of Default" by Tenant under that certain Lease Agreement between Landlord and Tenant, executed simultaneously herewith, for the lease of that certain property commonly known as 240 Grandview Avenue, Brighton, Tennessee 38011 (the "Brighton Lease");

(xi) The occurrence of an "Event of Default" by West DeSoto Partners, LLC, a Tennessee limited liability company ("DeSoto"), an affiliate of Tenant and Guarantor, under that certain Lease Agreement between Landlord and DeSoto, executed simultaneously herewith, for the lease of that certain property commonly known as 7668 Airways Boulevard, Southaven, Mississippi 38671 (the "Southaven Lease"); or

(xii) The occurrence of an "Event of Default" by The West Clinic, P.C., a Tennessee professional corporation ("Guarantor"), under that certain Guaranty, executed simultaneously herewith, delivered by Guarantor to Landlord in connection with Guarantor's guaranty of Tenant and DeSoto's obligations under this Lease, the Brighton Lease and the Southaven Lease (the "Guaranty").

(b) *Remedies.* Upon the occurrence of any Event of Default and at any time thereafter, Landlord may, at its election, in addition to all other rights and remedies provided at law, in equity or elsewhere herein: (i) terminate this Lease upon written notice to Tenant of Landlord's election to do so, in which event the Term of this Lease will end, and all right, title and interest of Tenant hereunder will expire, on the date stated in such notice or (ii) terminate Tenant's right to possession of the Property only, without terminating this Lease, upon written notice of Landlord's election to do so. Upon termination of the Lease, or upon any termination of Tenant's right to possession without termination of this Lease, Landlord and Landlord's agents may thereupon reenter the Property or any part thereof by summary proceedings or by any other applicable proceeding and may repossess the Property and dispossess Tenant and any other persons therefrom and remove any and all of its or their property and effects from the Property and Tenant hereby grants to Landlord the full and free right, without demand or notice of any kind to Tenant, to enter into and upon the Property, with or without process of law, and to repossess the Property as Landlord's former estate and to expel or remove Tenant and any others who may be occupying the Property, without being deemed in any manner guilty of trespass, eviction, or forcible entry or detainer, without incurring any liability for any damage resulting therefrom and without relinquishing Landlord's rights to Rent or any other right given Landlord hereunder or by operation of law. Tenant shall pay on demand all costs and expenses, including attorneys' fees and costs, incurred by Landlord in recovering sums due hereunder, recovering possession of the Property, or otherwise enforcing this Lease or pursuing Landlord's rights and remedies against Tenant.

If Landlord elects to terminate this Lease as set forth above, Landlord shall be entitled to recover as damages all Rent and other sums due and payable by Tenant on the date of termination, plus (1) an amount equal to the value of the Rent provided herein to be paid by Tenant for the residue of the Term, less the fair rental value of the Property for the residue of the Term (after deducting from the rents

collected under any such reletting all of Landlord's reasonable expenses in connection with the termination of this Lease or Landlord's re-entry or re-letting of the Property, including all reasonable repossession costs, brokerage commissions, legal expenses, alteration costs and other reasonable expenses of preparing the Property for such reletting), discounted to a present value using a discount factor equal to the Interest Rate (in no event shall the calculation of such sum be less than \$0 or otherwise act as a credit to Tenant), (2) the cost of performing any other covenants to be performed by Tenant up to the date of termination, and (3) all other costs and expenses of Landlord resulting from such default, including attorneys fees, allowable under this Lease or at law.

If Landlord elects to terminate Tenant's right to possession only without terminating the Lease, Landlord may, at Landlord's option, enter into the Property, remove Tenant's Property and other evidences of tenancy, and take and hold possession thereof as hereinabove provided, without such entry and possession terminating the Lease or releasing Tenant, in whole or in part, from Tenant's obligations to pay the Rent hereunder for the full Term or from any of its other obligations under this Lease. Landlord shall have the right to relet all or any part of the Property for such rent and upon such terms as shall be satisfactory to Landlord in its sole discretion (including the right to relet the Property as part of a larger area and the right to change the character or use made of the Property). All costs incurred in connection with the reletting of the Property, including, but not limited to, all marketing, commissions, tenant improvements, cleaning, remodeling or other costs incurred for the reletting of the Property shall be borne solely by Tenant and shall be payable on demand from Landlord. Landlord shall use commercially reasonable efforts to relet the Property but shall have no obligation to accept any replacement tenant who in Landlord's sole discretion is not creditworthy or whose reputation intended use would be detrimental to the Property. Landlord shall not be deemed to have failed to use such reasonable efforts to mitigate its damages by reasons of the fact that Landlord has sought to relet the Property at a rental rate higher than that payable by Tenant under the Lease (but not in excess of the then current market rental rate). For the purpose of such reletting, Landlord may decorate or make any repairs, changes, alterations or additions in or to the Property that may be necessary or convenient as determined by Landlord, the cost of which shall be borne solely by Tenant and shall be payable on demand from Landlord. If Landlord does not relet the Property, then Tenant shall pay to Landlord on demand all costs of attempting to relet the Property together with payment for the Rent and all other sums provided herein to be paid by Tenant for the remainder of the Term payable as the same shall become due and payable. If the Property is relet and a sufficient sum shall not be realized from such reletting after paying all of the expenses of such reletting and the collection of the rent accruing therefrom (including, but not by way of limitation, attorneys' fees and brokers' commissions and tenant improvements), to satisfy the Rent and other charges herein provided to be paid for the remainder of the Term, then Tenant shall pay to Landlord on demand any deficiency as the same shall become due and payable. Tenant shall not be entitled to any surplus if the Property is leased for an amount greater than the Rent reserved hereunder. Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Paragraph 23 from time to time. Notwithstanding an election by Landlord to terminate Tenant's right to possession only, Landlord may at any time thereafter elect to terminate this Lease. The liabilities and remedies specified in this Paragraph 23 shall survive the termination of this Lease.

24. Landlord Right to Perform. Notwithstanding the remedies of Landlord set forth in Paragraph 23 above, upon occurrence of an Event of Default, Landlord may, and without waiving or releasing Tenant from any obligation hereunder, make any payment or perform any other act which Tenant is obligated to make or perform under this Lease in such manner and to such extent as Landlord may reasonably deem necessary; and in so doing Landlord shall also have the right to enter upon the Property for any purpose reasonably necessary in connection therewith and to pay or incur any other necessary and incidental costs and expenses, including reasonable attorneys' fees. All sums so paid and all liabilities so incurred by Landlord, together with interest thereon at the Interest Rate, shall be payable by Tenant to Landlord upon demand. Landlord shall use reasonable efforts to give prior written notice of

its intention to performance Tenant's obligation if reasonably feasible under the circumstances. The performance of any such obligation by Landlord shall not constitute a waiver of Tenant's failure to perform the same. Inaction of Landlord shall never be considered as a waiver of any right accruing to Landlord pursuant to this Lease.

25. Holding Over. Should Tenant remain in possession of the Property after the Expiration Date, Tenant shall be a tenant from month-to-month of the Property, under all the terms and conditions of this Lease, except that the Base Annual Rent following the Expiration Date shall equal one hundred fifty percent (150%) of the then applicable Base Annual Rent prorated on a daily basis. Such month-to-month tenancy may be terminated by either Landlord or Tenant as of the end of any calendar month upon at least thirty (30) days prior written notice.

26. Quiet Enjoyment. Landlord covenants that Tenant, on paying the Rent and all other charges payable by Tenant hereunder, and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, all of which obligations of Tenant are independent of Landlord's obligations hereunder, shall, during the Term, peaceably and quietly have, hold and enjoy the Property subject to the terms, covenants, conditions, provisions and agreement hereof free from hindrance by Landlord or any person claiming by, through or under Landlord.

27. Mutual Representation of Authority. Landlord and Tenant represent and warrant to each other that each has full right, power and authority to enter into this Lease without the consent or approval of any other entity or person and each party makes these representations knowing that the other party will rely thereon. The signatories on behalf of Landlord and Tenant further represent and warrant that each has full right, power and authority to act for and on behalf of Landlord and Tenant in entering into this Lease.

28. Real Estate Brokers. Landlord and Tenant represent and warrant to each other that they have dealt directly with and only with CB Richard Ellis Memphis (with respect to Tenant representation) and Core Realty Advisors (with respect to Landlord representation), in connection with the Purchase Agreement and this Lease (collectively, "Brokers"). Any commission or other fee or compensation owed to the Brokers as a result of this Lease or the Purchase Agreement shall be paid by Tenant in accordance with a separate letter agreement. Each of Landlord and Tenant hereby agree to defend, indemnify and save harmless the other against all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and other costs of defense) arising from Landlord or Tenant's breach of their representations under this Paragraph 28.

29. Attorneys' Fees. In the event either party institutes legal proceedings against the other for breach of or interpretation of any of the terms, conditions or covenants of this Lease, the party against whom a judgment is entered shall pay all reasonable costs and expenses relative thereto, including reasonable attorneys' fees of the prevailing party.

30. Estoppel Certificate. Tenant agrees, upon not less than twenty (20) days prior written request by Landlord, to deliver to Landlord a statement in writing signed by Tenant certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, identifying the modifications); (ii) the date upon which Tenant began paying Base Annual Rent and the date to which Base Annual Rent has been paid; (iii) that, to the best of Tenant's knowledge, Landlord is not in default under any provision of this Lease, or, if in default, the nature thereof; (iv) that, except as set forth in such certificate, there has been no prepayment of Base Annual Rent or Additional Rent other than that provided for in this Lease; and (v) such other reasonable and customary matters as Landlord may request. Landlord, upon not less than twenty (20) days prior written request from Tenant, shall furnish a statement

in writing to Tenant covering the matters set forth in this Paragraph 30, to the extent applicable to Landlord and such other reasonable and customary matters as Tenant may request.

31. Financial Statements. Tenant and Guarantor have delivered to Landlord their most recent Financial Statements (the "Historical Financial Statements"). The Historical Financial Statements are true, complete and accurate in all material respects and fairly present the financial condition, assets and liabilities, whether accrued, absolute, contingent or otherwise and the results of Tenant's and Guarantor's operations for the periods specified therein. The Historical Financial Statements have been prepared in accordance with a tax or cash basis presentation. On an ongoing basis during the Term of this Lease, Tenant and Guarantor agree to deliver to Landlord within 15 days after the end of each fiscal quarter Tenant's Financial Statements and Guarantor's Financial Statements for such period, in reasonable detail, certified as correct by an authorized officer of Tenant or Guarantor, as the case may be, and prepared in accordance with a tax or cash basis presentation. In addition, as soon as available, but in no event later than one-hundred-twenty (120) days after the end of each fiscal year, Tenant and Guarantor shall provide to Landlord all of Tenant's and Guarantor's governmental tax returns, as well as Tenant's Financial Statements and Guarantor's Financial Statements for the year ended, and in the instance of Guarantor, reviewed by a third party certified public accountant. As used in this Lease, "Financial Statements" means Tenant's and Guarantor's balance sheets, income statements and statements of cash flows for the preceding quarter, year to date and comparative figures for the corresponding periods of the prior year, together with such other financial information of Tenant or Guarantor as Landlord shall reasonably request. Notwithstanding the foregoing, in the event of a Covenant Threshold Violation, Tenant and Guarantor shall commence providing Landlord with Tenant's and Guarantor's monthly balance sheets, income statements and statements of cash flows, in reasonable detail, certified as correct by an authorized officer of Tenant or Guarantor, as the case may be, and prepared in accordance herewith. All of the Financial Statement, tax returns and related financial information of Tenant and Guarantor provided to Landlord hereunder are collectively referred to as "Tenant/Guarantor Financial Information".

32. Records. Tenant agrees to maintain complete records of all costs and expenses paid by Tenant under the terms of this Lease and shall provide copies of the same to Landlord upon reasonable request. All such records shall be maintained in accordance with generally accepted accounting practices and shall be retained for a period of at least three (3) years following the date on which such costs were expended by Tenant. Landlord shall have the right, through itself or its representatives, to examine, copy and audit such records at all reasonable times at Tenant's office, but not more frequently than two (2) times per calendar year.

33. Recordable Memorandum. Landlord and Tenant agree not to record this Lease, but each party agrees, upon the request of the other, to execute a memorandum of this Lease in recordable form and in compliance with applicable law.

34. Limitation of Liability. Any judgment in favor of Tenant against Landlord shall be satisfied solely by recourse to the Property and any of Landlord's members, officers, shareholders or agents shall not have any personal liability therefor.

35. Governing Law. This Lease shall be construed and interpreted in accordance with the laws of the state in which the Property is situated.

36. Severability. If any of the terms or conditions of this Lease are determined to be invalid, void or illegal, such determination shall in no way affect or invalidate any of the other provisions of this Lease.

37. Origination Of Document. This Lease has been negotiated by Landlord and Tenant, and this Lease, together with all of the terms and provisions hereof, shall not be deemed to have been prepared by either Landlord or Tenant, but by both equally.

38. Notices. Any notice, consent, request or other communication (collectively "Notices") given pursuant to this Lease must, unless otherwise provided herein, be in writing, and may, unless otherwise in this Lease expressly provided be given or be served by depositing the same in the United States mail, postage prepaid, and certified and addressed to the party to be notified, with return receipt requested, or by overnight express mail with a reliable, nationally recognized overnight courier, or by facsimile addressed to the party and sent to the number identified below, or by delivery of the same in person, addressed to the party to be notified as follows:

If to Tenant:	West Union Partners, LLC c/o The West Clinic, P.C. 100 N. Humphreys Blvd. Memphis, TN 38120 Attn: Erich Mounce Fax: 901.322.2948
With Copy to:	Reid D. Evensky, Esquire Reid D. Evensky, PC Post Office Box 172302 Memphis, Tennessee 38187-2302 Fax: 901.767.8427
If to Landlord:	Core Memphis LLC 1515 Lake Shore Drive, Suite 225 Columbus, OH 43204 Attn: Jeffrey A. Coopersmith Fax: 614-485-2556

Notices delivered by hand and by facsimile shall be effective upon receipt, and if such delivery is rejected, such rejection of delivery shall be considered receipt. Notices by mail (except overnight express mail) shall be effective and deemed received three (3) days after the date mailed. Notices by overnight express mail shall be effective and deemed received one (1) business day after delivery to the overnight mail service. Either party may at any time change its address for Notices hereunder by delivering or mailing, as aforesaid, to the other party a Notice stating the change and setting forth the changed address.

39. Counterparts. This Lease may be signed in counterparts and each such counterpart shall be deemed to be an original. Any signature, witness's signature, or both, appearing on a counterpart of this Lease shall be deemed to appear on all other counterparts of this Lease. This Lease shall only be and become effective upon its unconditional delivery by and between the parties hereto.

40. Entire Agreement. This Lease constitutes the entire agreement between the parties, there being no other terms, oral or written, except as herein expressed. No modification of this Lease shall be binding on the parties unless it is in writing and signed by both parties hereto.

41. Interpretation. Whenever in this Lease any words of obligation or duty are used, such words or expressions shall have the same force and effect as though made in the form of covenants. Words of any gender used in this Lease shall be held to include any other gender, and words in the singular number shall be held to include the plural, when the sense requires. The headings and captions

contained in this Lease are inserted for convenience of reference only, and are not to be deemed part of or to be used in construing this Lease. The covenants and agreements herein contained shall, subject to the provisions of this Lease, bind and inure to the benefit of Landlord, its successors and assigns, and Tenant, its successors and permitted assigns except as otherwise expressly provided herein. All exhibits and schedules hereto are hereby incorporated into this Lease by reference.

42. Surrender of Property. Upon the Expiration Date or earlier termination of this Lease, Tenant shall peaceably leave and surrender the Property to Landlord in substantially as good of a condition as the Property was at the Commencement Date, except as repaired, rebuilt, restored, altered, replaced or added to as permitted by any provision of this Lease, and except for ordinary wear, tear and use. Upon the Expiration Date or earlier termination of this Lease, as part of Tenant's surrender of the Property, Tenant shall have removed Tenant's personal property, furniture and furnishings, equipment, interior and exterior signs and movable trade fixtures, which are fixtures that do not become a permanent part of the Property (collectively, "Tenant's Property") and the Excluded Assets as set out in the Purchase Agreement and Tenant, at its sole cost and expense, shall repair all damage to the Property caused by such removal; provided, however, that the Personal Property (as defined in Paragraph 2(a) hereof) is not and shall not constitute or be included in Tenant's Property. If Tenant fails to remove all of Tenant's Property on or before the Expiration Date or earlier termination of this Lease, then Landlord, upon fifteen (15) days prior written notice to Tenant, may perform said obligations at Tenant's cost and expense, and Tenant hereby agrees to pay all the costs and expenses incurred by Landlord to perform the same, which costs and expenses shall become immediately due and payable by Tenant to Landlord and shall bear interest at the Interest Rate until paid in full. All Tenant's Property which is not removed within fifteen (15) days following Landlord's written demand therefor shall be conclusively deemed to have been abandoned by Tenant, and Landlord shall be entitled to dispose of such property without thereby incurring any liability to Tenant and at Tenant's sole cost and expense, which cost and expense shall become immediately due and payable by Tenant to Landlord and shall bear interest at the Interest Rate until paid in full. The provisions of this Paragraph 42 shall survive the expiration or other termination of this Lease.

43. Security Deposit. Tenant shall deposit with Landlord simultaneously with the execution of this Lease an amount equal to \$26,592, which shall be held by Landlord for the full Term of the Lease as a deposit to secure performance of Tenant's obligations under this Lease (the "Security Deposit"). In the event Tenant is not in default on the Expiration Date or earlier termination of this Lease, Landlord shall refund the balance of the Security Deposit to Tenant. In the event Tenant has defaulted under this Lease at any time prior to the Expiration Date, Landlord shall be entitled to use all or any portion of the Security Deposit to cure such default and Tenant shall be required to promptly replenish the Security Deposit to the amount set forth above within fifteen (15) days of Landlord's written notice to Tenant regarding the same and any shortfall in the amount of the Security Deposit following such time shall bear interest at the Interest Rate until paid in full. Notwithstanding the foregoing, Landlord's use of the Security Deposit, or a portion thereof, shall not preclude Landlord from seeking any of the remedies set forth herein. Tenant shall not be entitled to any interest that may accrue on the Security Deposit. In the event of a sale of the Property, Landlord shall have the right to transfer the Security Deposit to the respective purchaser. The transfer to the purchaser shall release Landlord from all liability for the return of the Security Deposit to Tenant. The new purchaser shall be required to return the Security Deposit pursuant to the terms of this Lease.

44. Cumulative Remedies. No remedy contained herein or otherwise conferred upon or reserved to a party hereunder, shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given herein, now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to a party hereunder may be exercised from time to time and as often as occasion may arise or as may be deemed expedient. No delay

or omission of a party hereunder to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated will be deemed to be other than on account of the earliest stipulated Rent, nor will any endorsement or statement on any check or any letter be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedies provided under this Lease.

45. Force Majeure. Except for any obligation to make any payment of monies due by either party hereunder, whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations, or restrictions, or any other causes of any kind whatsoever which are beyond the control of such party.

46. Waivers. No waiver by a party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by the other party of the same or any other provision. Any party's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of said party's consent to or approval of any subsequent act by the other party. The acceptance of Rent hereunder by Landlord shall not be a waiver of any preceding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. The failure of any party to assert any breach or to declare a default by the other party shall not be construed to constitute a waiver thereof, so long as such breach or default continues unremedied. Landlord and Tenant each waive trial by jury in connection with proceedings or counterclaims brought by either of the parties against the other.

47. Performance Letter of Credit. Upon execution hereof, and as a material inducement to Landlord to purchase the Property pursuant to the Purchase Agreement and to enter into the leasing transaction contemplated by this Lease, Tenant, at its sole cost and expense, shall procure and maintain during the Term of this Lease an unconditional, irrevocable Letter of Credit, in an amount equal to \$1,250,000 naming Landlord and Landlord's mortgagee as beneficiaries thereunder and issued by a national financial institution acceptable to Landlord in its reasonable discretion (or any financial institution chartered by the United States Office of the Comptroller of the Currency and for these purposes a financial institution having the market capitalization similar to First Tennessee Bank National Association as of the Commencement Date shall be acceptable to Landlord) and which shall be assignable by Landlord to Landlord's mortgagee as security for any loan secured by the Property; provided, however, that upon the occurrence of a Covenant Threshold Violation or a Base Annual Rent Violation, then in either case Tenant shall thenceforth be required to increase the amount of said unconditional, irrevocable Letter of Credit to \$2,500,000 for the duration of the Term of the Lease (the "Performance Letter of Credit"). The Performance Letter of Credit shall provide that only upon the occurrence of a LOC Event, Landlord shall have the right to draw the entire amount of the Performance Letter of Credit upon Landlord's written statement to the issuer of the Performance Letter of Credit that is signed by an authorized officer of Landlord, indicating full name and title, and stating that a LOC Event has occurred under this Lease. The Performance Letter of Credit shall be freely transferable multiple times from Landlord to Landlord's successors or assigns during the Term of the Lease. Tenant shall have the right at any time to substitute the then existing Performance Letter of Credit for another Performance Letter of Credit provided that (w) Tenant is not then in default under this Lease, (x) the substitute Performance Letter of Credit complies with all of the requirements of this Paragraph 47, (y) the then existing Performance Letter of Credit does not expire prior to the issuance of such substitute Performance Letter of Credit and (z) any and all such substitutions of the Performance Letter of Credit shall be at Tenant's sole cost. Landlord agrees to cooperate with Tenant, but at no cost to Landlord, in good faith for the

purpose of issuing the original and any substitute Performance Letter of Credit hereunder. Landlord and Tenant agree that Landlord's drawing against the Performance Letter of Credit as aforesaid is a non-exclusive remedy of Landlord in the event of a LOC Event and Landlord shall not be precluded from taking any other actions against Tenant or seeking any other remedies as are otherwise provided herein or are otherwise available at law or in equity.

For purposes of this Lease, the term "Covenant Threshold Violation" shall mean Guarantor's failure during the Term of this Lease to generate gross revenue of at least \$37,500,000 during each fiscal half year, as stated on Guarantor's Financial Information provided by Tenant and Guarantor to Landlord hereunder. For purposes of this Lease, the term "Base Annual Rent Violation" shall mean Tenant's failure to pay a monthly installment of Base Annual Rent on three (3) occasions in any Lease Year (for example, Tenant's failure to pay the monthly installment of Base Annual Rent that is payable on April 1, 2011, May 1, 2011 and October 1, 2011 shall constitute a Base Annual Rent Violation), provided Tenant's failure to pay Base Annual Rent is noticed by Landlord by the written notices contemplated by Paragraph 23. For purposes of this Lease, the term "LOC Event" shall mean the occurrence of any one or more of the following events: (a) fraud, intentional misrepresentation or willful misconduct of Tenant in connection with this Lease, (b) material breach of any representation, warranty or covenant in this Lease concerning Environmental Laws or Hazardous Materials as set forth in Paragraph 7 of this Lease, (c) misapplication, misappropriation or conversion by Tenant of any insurance proceeds or condemnation proceeds or failure of Tenant to comply with the provisions of Paragraph 15 or 16 of this Lease, (d) an assignment of this Lease, a sublease of all or any portion of the Property or any other related transfer of Tenant's interest under this Lease or obligations hereunder shall occur in contravention of Paragraph 13 of this Lease, (e) the filing by Tenant or Guarantor of a voluntary petition under any federal or state bankruptcy or insolvency law or the acquiescence by Tenant or Guarantor of the filing of an involuntary petition against Tenant or Guarantor under any federal or state bankruptcy or insolvency law, (f) provided Landlord has provided the written notices contemplated by Paragraph 23, the failure by Tenant to pay a monthly installment of Base Annual Rent on six (6) occasions in any calendar year (for example, Tenant's failure to pay the monthly installment of Base Annual Rent that is payable on April 1, 2011, May 1, 2011, July 1, 2011, August 1, 2011, September 1, 2011 and October 1, 2011 shall constitute a LOC Event), or (g) Tenant has failed to renew the Performance Letter of Credit and to provide a copy of such renewed Performance Letter of Credit to Landlord on or before the date that is fifteen (15) days prior to its expiration date. Following a Covenant Threshold Violation, in the event Guarantor shall generate gross revenue of at least \$75,000,000 during each fiscal year as stated on Tenant/Guarantor Financial Information provided by Tenant and Guarantor to Landlord hereunder for three (3) consecutive years (the "Threshold Cure"), then following the Threshold Cure, the principal amount of the Performance Letter of Credit shall be reduced to \$1,250,000. Following a Base Annual Rent Violation, upon Tenant timely paying to Landlord all obligations hereunder for three (3) consecutive years (the "Base Rent Cure"), then following the Base Rent Cure, the principal amount of the Performance Letter of Credit shall be reduced to \$1,250,000.

48. Tenant/Guarantor Distribution/Dividend Restrictions. During the Term of this Lease, each of Tenant and Guarantor hereby acknowledge and agree that they shall not make any loans, distributions or dividends of cash, property or the like to its owners following the occurrence and during the continuance of an Event of Default of Tenant hereunder (the "Distribution/Dividend Restriction"). Notwithstanding anything herein to the contrary, nothing in this Paragraph 48 shall prohibit Tenant or Guarantor from paying ordinary and periodic compensation made in the ordinary course of business to the owners of Tenant or Guarantor as the case may be; provided, however, Tenant and Guarantor agree that they shall not increase ordinary and periodic compensation made in the ordinary course of business to the owners of Tenant or Guarantor for the sole purpose of avoiding the Distribution/Dividend Restriction.

49. Notice To Tenant of Property Being Offered For Sale. During the Term of this Lease, in the event Landlord elects to market the Property for sale, it shall first provide Tenant with written notice of its intention to market the Property for sale.

50. Guaranty. As a condition for delivery of this Lease to Tenant by Landlord, the Guaranty (a true and exact copy of which is attached hereto as Exhibit "C"), executed by The West Clinic, P.C., a Tennessee Professional Corporation, as Guarantor, shall be delivered to Landlord.

51. Option. Provided that no Event of Default by Tenant has occurred, then Tenant shall have the option to extend the Term of this Lease (the "Option") for one (1) additional term of ten (10) years (the "Extension Term"). Tenant must exercise the Option by giving Landlord written notice of its exercise of the Option at least one (1) year prior to the expiration of the initial Term. If Tenant exercises its option to extend the Term of this Lease, then the Extension Term will be upon all of the same terms and conditions of this Lease, except that the Base Annual Rent for the Extension Term shall be the fair market rent for comparable space, as determined by an independent appraiser with not less than ten (10) years' experience appraising real estate in the Memphis, Tennessee area, mutually agreed upon by Landlord and Tenant; provided, however, in no event will the Base Annual Rent for the Extension Term be less than the Base Annual Rent for the final Lease Year of the initial Term of this Lease plus annual increases of 1.5% for each Lease Year during the Extension Term.

Executed this 5 day of January, 2011 to be effective as of the date of Closing under that certain Purchase and Sale Agreement, having an Effective Date of November 22, 2010, by and among West Union Partners, LLC, West DeSoto Partners, LLC and West Partners, LLC, collectively, as sellers, and Core Properties LLC, as buyer, as the same may be amended from time to time.

TENANT:

West Union Partners, LLC, a Tennessee limited liability company

By: _____
Printed: _____
Title: _____
Date of Execution: _____

LANDLORD:

Core Memphis LLC, an Ohio limited liability company

By: [Signature]
Printed: Jeffrey A. Cooper
Title: Manager
Date of Execution: 1/5/2011

GUARANTOR:

The West Clinic, P.C., a Tennessee professional corporation

By: _____
Printed: _____
Title: _____
Date of Execution: _____
(executing solely for purposes of agreement to the provisions set forth in Paragraphs 13, 31, 48 & 50)

STATE OF TENNESSEE,
COUNTY OF _____, ss:

BE IT REMEMBERED, that on the _____ day of _____, 20____, before me a Notary Public, in and for said County, personally came _____, the _____ of West Union Partners, LLC, a Tennessee limited liability company, Tenant in the foregoing Lease, and acknowledged the signed thereof as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal on this day and year above written.

Notary Public

Executed this 4th day of January, 2011 to be effective as of the date of Closing under that certain Purchase and Sale Agreement, having an Effective Date of November 22, 2010, by and among West Union Partners, LLC, West DeSoto Partners, LLC and West Partners, LLC, collectively, as sellers, and Core Properties LLC, as buyer, as the same may be amended from time to time.

TENANT:

West Union Partners, LLC, a Tennessee limited liability company

By: [Signature]
Printed: Kurt Tower
Title: Member/Secretary
Date of Execution: 1/4/11

LANDLORD:

Core Memphis LLC, an Ohio limited liability company

By: _____
Printed: _____
Title: _____
Date of Execution: _____

GUARANTOR:

The West Clinic, P.C., a Tennessee professional corporation

By: [Signature]
Printed: Kurt Tower
Title: Secretary
Date of Execution: 1/4/11
(executing solely for purposes of agreement to the provisions set forth in Paragraphs 13, 31, 48 & 50)

STATE OF TENNESSEE,
COUNTY OF Shelby, ss:

BE IT REMEMBERED, that on the 4th day of January, 2011, before me a Notary Public, in and for said County, personally came Kurt Tower, the member/Secretary of West Union Partners, LLC, a Tennessee limited liability company, Tenant in the foregoing Lease, and acknowledged the signed thereof as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal on this day and year above written.

[Signature]
Notary Public



STATE OF TENNESSEE,
COUNTY OF _____, ss:

BE IT REMEMBERED, that on the _____ day of _____, 20____, before me a Notary Public, in and for said County, personally came _____, the _____ of The West Clinic, P.C., a Tennessee professional corporation, Guarantor in the foregoing Lease, and acknowledged the signed thereof as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal on this day and year above written.

Notary Public

STATE OF OHIO,
COUNTY OF FRANKLIN, ss:

BE IT REMEMBERED, that on the 5th day of January, 2011, before me a Notary Public, in and for said County, personally came Jeffrey A. Coopersmith, the President/CEO of Core Properties LLC, the Manager of Core Memphis LLC, an Ohio limited liability company, Landlord in the foregoing Lease, and acknowledged the signed thereof as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal on this day and year above written.



Regina G Corvo
Notary Public, State of Ohio
My Commission Expires 01-28-2013

Regina G. Corvo
Notary Public

STATE OF TENNESSEE,
COUNTY OF Shelby, ss:

BE IT REMEMBERED, that on the 4th day of January, 2011, before me a Notary Public, in and for said County, personally came Kurt Taher, the Secretary of The West Clinic, P.C., a Tennessee professional corporation, Guarantor in the foregoing Lease, and acknowledged the signed thereof as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal on this day and year above written.



Julie E. Rosenthal
Notary Public

STATE OF OHIO,
COUNTY OF FRANKLIN, ss:

BE IT REMEMBERED, that on the _____ day of _____, 20____, before me a Notary Public, in and for said County, personally came Jeffrey A. Coopersmith, the President/CEO of Core Properties LLC, the Manager of Core Memphis LLC, an Ohio limited liability company, Landlord in the foregoing Lease, and acknowledged the signed thereof as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal on this day and year above written.

Notary Public

EXHIBIT "A"

LEGAL DESCRIPTIONS

PROPERTY LOCATED IN MEMPHIS, SHELBY COUNTY, TENNESSEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT 1 PARCEL ONE

LOTS 16 THROUGH 21, INCLUSIVE, BLOCK B, M. F. GILCHRIST'S EAST MADISON HEIGHTS SUBDIVISION IN MEMPHIS, TENNESSEE, AS RECORDED IN PLAT BOOK 3, PAGE 85, IN THE REGISTER'S OFFICE OF MEMPHIS, SHELBY COUNTY, TENNESSEE, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A P.K. NAIL SET AT THE INTERSECTION OF THE SOUTH LINE OF MONROE AVENUE WITH THE WEST LINE OF SOUTH WILLETT STREET; THENCE SOUTH 5 DEGREES 25 MINUTES 35 SECONDS WEST WITH THE WEST LINE OF SOUTH WILLETT STREET A DISTANCE OF 90.00 FEET TO A P.K. NAIL SET IN THE NORTH LINE OF LOT 15; THENCE NORTH 84 DEGREES 20 MINUTES 40 SECONDS WEST WITH THE SAID NORTH LINE OF LOT 15 A DISTANCE OF 112.00 FEET TO AN IRON PIN SET IN THE WEST LINE OF SAID SUBDIVISION; THENCE NORTH 5 DEGREES 25 MINUTES 35 SECONDS EAST PARALLEL TO THE WEST LINE OF SOUTH WILLETT STREET A DISTANCE OF 90.00 FEET TO A P.K. NAIL SET IN THE SOUTH LINE OF MONROE AVENUE; THENCE SOUTH 84 DEGREES 20 MINUTES 40 SECONDS EAST WITH THE SOUTH LINE OF MONROE AVENUE A DISTANCE OF 112.00 FEET TO THE POINT OF BEGINNING.

PARCEL TWO

LOTS 1 THROUGH 27, INCLUSIVE, PART OF LOT 28, AND LOTS 84 THROUGH 91, INCLUSIVE, BLOCK A, M.F. GILCHRIST'S EAST MADISON HEIGHTS SUBDIVISION LESS PORTIONS TO WIDEN RIGHT OF WAY IN MEMPHIS, TENNESSEE, AS RECORDED IN PLAT BOOK 3, PAGE 85, IN THE REGISTER'S OFFICE OF MEMPHIS, SHELBY COUNTY, TENNESSEE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A CHISEL MARK SET IN THE NORTH LINE OF UNION AVENUE, SAID POINT BEING IN THE EAST END OF A CURVE HAVING A RADIUS OF 20.00 FEET LOCATED AT THE NORTHEAST CORNER OF UNION AVENUE AND SOUTH WILLETT STREET; THENCE NORTHWESTWARDLY AND ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET A DISTANCE OF 31.54 FEET TO A CHISEL MARK SET AT THE POINT OF TANGENCY IN THE EAST LINE OF SOUTH WILLETT STREET, CHORD, NORTH 39 DEGREES 45 MINUTES 15 SECONDS WEST A DISTANCE OF 28.37 FEET; THENCE NORTH 5 DEGREES 25 MINUTES 35 SECONDS EAST WITH THE EAST LINE OF SOUTH WILLETT STREET A DISTANCE OF 200.87 FEET TO A P.K. NAIL SET IN THE SOUTH LINE OF LOT 83; THENCE SOUTH 84 DEGREES 56 MINUTES 00 SECONDS EAST WITH THE SOUTH LINE OF LOT 83; THENCE SOUTH 84 DEGREES 56 MINUTES 00 SECONDS EAST WITH THE SAID SOUTH LINE OF LOT 83 A DISTANCE OF 110.90 FEET TO A P.K. NAIL SET AT THE SOUTHEAST CORNER OF LOT 83; THENCE NORTH 5 DEGREES 34 MINUTES 10 SECONDS EAST WITH THE EAST LINE OF LOTS 83, 82, 81, 80, 79, AND 78 A DISTANCE OF 89.13 FEET TO A P.K. NAIL SET IN THE SOUTH LINE OF MONROE AVENUE; THENCE SOUTH 85 DEGREES 53 MINUTES 15 SECONDS EAST WITH THE SOUTH LINE OF MONROE AVENUE A DISTANCE OF 111.10 FEET TO A P.K. NAIL SET IN THE WEST LINE OF SOUTH AVALON STREET; THENCE SOUTH 5 DEGREES 40 MINUTES 25 SECONDS WEST WITH THE WEST LINE OF SOUTH WILLETT STREET A DISTANCE OF 292.19 FEET TO A P.K. NAIL SET AT A POINT OF CURVATURE; THENCE SOUTHWESTWARDLY AND ALONG A CURVE TO THE RIGHT HAVE A RADIUS OF 20.00 FEET A DISTANCE OF 31.20 FEET TO A CHISEL MARK SET AT THE POINT OF TANGENCY IN THE NORTH LINE OF UNION AVENUE, CHORD SOUTH 50 DEGREES 22

MINUTES 10 SECONDS WEST A DISTANCE OF 28.13 FEET; THENCE NORTH 84 DEGREES 56 MINUTES 10 SECONDS WEST WITH THE NORTH LINE OF UNION AVENUE OF 180.93 FEET TO THE POINT OF BEGINNING.

BEING THE SAME PROPERTY CONVEYED IN WARRANTY DEED OF RECORD IN INSTRUMENT 04111128, IN THE REGISTER'S OFFICE, SHELBY COUNTY, TENNESSEE.

PARCEL THREE

LOTS 79, 80, 81, 82, 83 AND SOUTH 7.5 FEET OF LOT 78, BLOCK "A" EAST MADISON HEIGHTS SUBDIVISION, IN CITY OF MEMPHIS, AS PER PLAT RECORDED IN PLAT BOOK 3, PAGE 85, IN THE REGISTER'S OFFICE OF SHELBY COUNTY, TENNESSEE AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A CHISEL MARK CUT IN THE CONCRETE SIDEWALK IN THE EAST LINE OF SOUTH WILLETT STREET 220.7 FEET NORTHWARDLY FROM THE NORTH LINE OF UNION AVENUE, AS NOW IMPROVED (80 FEET WIDE); THENCE NORTHWARDLY WITH SAID EAST LINE OF SOUTH WILLETT STREET 82.5 FEET TO A CHISEL MARK IN SAID EAST LINE; THENCE EASTWARDLY ALONG THE SOUTH LINE OF CITY OF MEMPHIS PROPERTY 112 FEET TO AN IRON STAKE; THENCE SOUTHWARDLY PARALLEL WITH SOUTH WILLETT STREET 82.5 FEET TO THE LINE DIVIDING LOTS 83 AND 84 OF SAID BLOCK A; THENCE WESTWARDLY WITH SAID DIVIDING LINE 112 FEET TO THE POINT OF BEGINNING AND BEING ALL OF THE SAME PROPERTY CONVEYED TO GRANTOR BY WARRANTY DEED RECORDED AS INSTRUMENT GS 9158 IN SAID REGISTER'S OFFICE.

EXHIBIT "B"

SITE PLANS

EXHIBIT "C"

THE GUARANTY

UNCONDITIONAL LEASE AGREEMENT GUARANTY

The West Clinic, P.C., a Tennessee professional corporation, having its principal address at 100 N. Humphreys Blvd., Memphis, Tennessee 38120 ("Guarantor"), in order to induce Core Memphis LLC, an Ohio limited liability company, having its principal address at 1515 Lake Shore Drive, Suite 225, Columbus, Ohio 43204 ("Landlord") to lease that certain real property commonly known as 1580 Union Avenue, Memphis, Tennessee 38104, and as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Leased Premises"), to West Union Partners, LLC, a Tennessee limited liability company, having its principal address at 100 N. Humphreys Blvd., Memphis, Tennessee 38120 ("Tenant"), upon the terms and conditions of that certain Lease Agreement, dated as of even date herewith, between Landlord and Tenant (the "Lease"), and in further consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid, does hereby agree to the terms and conditions of this Unconditional Lease Agreement Guaranty (this "Guaranty") as follows:

1. As a condition of Landlord entering into the Lease and leasing the Leased Premises to Tenant, Landlord requires that Guarantor guarantee the full payment and performance of all obligations under the Lease to be kept and performed by Tenant, including, but not limited to, the payment of all rent and other charges set forth thereunder, and Guarantor acknowledges that Landlord would not enter into the Lease without Guarantor's execution and delivery of this Guaranty.

2. From and after the date hereof, Guarantor hereby guarantees unto Landlord, its successors and assigns, the full, prompt and complete payment by Tenant of all Rent (as defined in the Lease) together with all other sums, costs, expenses, charges, damages and other payments provided for in the Lease that are the responsibility of Tenant, and the prompt, faithful, and complete performance and observance by Tenant of all of the terms, covenants, and conditions of the Lease on Tenant's part to be performed or observed after the date hereof.

3. All obligations of Guarantor under this Guaranty shall be primary, direct, absolute, unconditional and continuing, and shall remain in full force and effect until all of the obligations of Tenant under the Lease now existing or hereafter incurred shall have been paid and discharged in full and otherwise satisfied. Guarantor agrees to be bound by each and every terms, condition, covenant and obligation in the Lease with the same force and effect as if it was designated in and had executed said Lease as Tenant thereunder.

4. No renewal, extension, change, alteration, modification or amendment of the Lease or forbearance by Landlord with respect to the Lease shall affect, in any manner, Guarantor's liability hereunder.

5. Guarantor agrees that this Guaranty may be enforced by Landlord without first resorting to or exhausting any other remedy available under the Lease or any other related agreement. The obligations hereunder are independent of the obligations of Tenant, and a separate action or actions may be brought and prosecuted against Guarantor regardless of whether any action is brought against Tenant or whether Tenant be joined in any such action(s). There shall be no duty or obligation of Landlord to exhaust any remedy in law or in equity against Tenant before bringing suit or instituting proceedings of any kind against Guarantor. The liability of Guarantor shall continue until full performance and full payment of all obligations of Tenant now due or hereafter to become due under the Lease or any other related agreement to which Tenant is obligated to Landlord shall be fully satisfied, including payment of

all damages and losses which may be incurred by Landlord. This Guaranty is a guarantee of payment and not of collection.

6. Until all obligations of Tenant under the Lease have been fully performed or satisfied, Guarantor shall have no right of subrogation and Guarantor further hereby waives any benefit of and right to participate in any security now or hereafter held by Landlord with respect to the Lease. During the occurrence of an uncured Event of Default (as defined in the Lease), Guarantor subordinates to and postpones in favor of the obligations owed Landlord any present and future debts and obligations of Tenant to Guarantor (excepting any debts and obligations of Tenant to Guarantor in connection with the re-payment in the ordinary course of business of any credit facility of Guarantor, whether now in existence or later obtained). No setoff, counterclaim, reduction or diminution of any obligation, or any defense of any kind or nature that Guarantor has or may have against Tenant will be available as a defense of Guarantor against Landlord hereunder.

7. Guarantor hereby waives (a) notice of acceptance of this Guaranty and of the execution and delivery of the Lease by Tenant; (b) diligence, presentment and demand for payment of any installment of Rent or demand for performance of any other obligation under the Lease; (c) protest and notice of default to Guarantor or to any other party with respect to the Lease; and (d) any demand for payment under this Guaranty.

8. No delay on the part of Landlord in exercising any rights hereunder or failure to exercise the same shall operate as a waiver of any such rights. No notice to or demand on Guarantor shall be deemed to be a waiver of any obligation of Guarantor or of the right of Landlord to take further action without notice or demand as provided herein, nor in any event shall any modification or waiver of the provisions of this Guaranty be effective unless in writing, nor shall any such waiver be applicable except in the specific instance for which it was given.

9. This Guaranty shall be a continuing guaranty, and the liabilities and obligations of Guarantor hereunder shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by: (i) any exercise or non-exercise of any right, power, remedy or privilege under or in respect of the Lease or this Guaranty or any waiver, consent, extension, renewal, modification or any modification or change in any of the terms, covenants, conditions or provisions of the Lease or any assignment or transfer of the Lease, (ii) any voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, merger, consolidation, arrangement, composition with creditors or readjustment or other similar proceedings affecting Tenant or Guarantor or any assignee thereof or any of the assets of any of them, or any allegation or contest of the validity of this Guaranty or the Lease or the disaffirmance of this Guaranty or the Lease in any such proceeding, (iii) any limitation on the liability or obligation of Tenant under the Lease or its estate in bankruptcy or of any remedy for the enforcement thereof resulting from the operation of any present or future provision of the Bankruptcy Code or other statute, whether state or federal, (iv) the disaffirmance or abandonment by any trustee or receiver of Tenant, its successors or assigns, whether or not Guarantor has notice or knowledge of any of the foregoing, (v) the default or failure of Guarantor to fully perform any of its obligations set forth in this Guaranty, or (vi) to the extent permitted by law, any event or action that would, in the absence of this clause, result in the release or discharge by operation of law of Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty.

10. Any modification, limitation, or discharge of the liability of Tenant under the Lease arising out of or by virtue of any bankruptcy, arrangement, reorganization or similar proceeding for relief of debtors under federal or state law shall not affect, modify, limit, or discharge the liability of Guarantor in any manner whatsoever and this Guaranty shall remain and continue in full force and effect and shall

be enforceable against Guarantor to the same extent and with the same force and effect as if any such proceedings had not been instituted; and Guarantor shall and does hereby waive all rights and benefits which might accrue to it by reason of any such proceeding and agrees that it shall be liable for all of Tenant's payment and performance obligations under the Lease irrespective and without regard to any modification, limitation, or discharge of the liability of Tenant that may result from any such proceeding. Guarantor will not take any action nor will it permit Tenant to take any action which would affect the priority, validity or enforceability of the obligations created by this Guaranty.

11. Guarantor shall remain liable under this Guaranty notwithstanding Tenant's assignment of the Lease or Tenant's subletting of any portion of the Leased Premises, by operation of law or otherwise.

12. This Guaranty may not be amended, modified, discharged or terminated in any manner unless in writing signed by Landlord and Guarantor.

13. This Guaranty is and shall be deemed to be a contract entered into under and pursuant to the laws of the State of Tennessee and shall be in all respects governed, construed, applied and enforced in accordance with the laws of the State of Tennessee. If Landlord is required to enforce Guarantor's obligations by legal proceedings, Guarantor shall pay to Landlord all costs incurred, including, without limitation, reasonable attorneys' fees. Guarantor hereby waives trial by jury in any such legal proceedings. Guarantor waives the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty.

14. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time any whole or partial payment or performance of any obligation under the Lease or this Guaranty is or is sought to be rescinded or must otherwise be restored or returned by Landlord upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Tenant or Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for Tenant of Guarantor or any substantial part of Tenant or Guarantor's property, or otherwise, all as though such payments and performance had not been made.

15. Guarantor will, at any time and from time to time, within ten (10) business days following written request by Landlord, execute, acknowledge and deliver to Landlord a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications). Such certificate may be relied on by anyone holding or proposing to acquire any interest in the Leased Premises from or through Landlord or by any mortgagee or prospective mortgagee of the Leased Premises or of any interest therein.

16. Inasmuch as the ownership of Guarantor is identical to that of Tenant, Guarantor acknowledges and agrees that it will benefit directly and materially from the execution and delivery of the Lease. This Guaranty shall be enforceable against and binding upon Guarantor and its successors and assigns; provided, however, that the foregoing shall in no event be deemed an approval by Landlord for Guarantor to assign this Guaranty.

17. The rights and remedies given to Landlord by this Guaranty shall be deemed to be cumulative and not one of such rights and remedies shall be exclusive at law or in equity of the rights and remedies which Landlord might otherwise have by virtue of a default under this Guaranty, and the exercise of one such right or remedy by Landlord shall not impair Landlord's standing to exercise any other rights or remedies.

18. Landlord may assign this Guaranty in connection with a sale of the Leased Premises that is the subject of the Lease and this Guaranty will inure to the benefit of Landlord's successors and assigns and Landlord may collateralize this Guaranty to its mortgagee in connection with any financing secured by the Leased Premises. Guarantor may not assign this Guaranty without the prior written consent of Landlord, which consent may be withheld based on the sole and absolute discretion of Landlord.

19. If any term or provision of this Guaranty, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Guaranty shall be valid and be enforced to the fullest extent permitted by law.

20. Guarantor represents to Landlord that the individual executing this Guaranty is authorized to do so without the necessity of obtaining any other signature of any other officer that the execution of this Guaranty has been authorized by all corporate action required under the authorizing instruments of such Guarantor and that this Guaranty is fully binding on the Guarantor.

21. For purposes of clarification, Landlord and Guarantor acknowledge and agree that the terms and conditions of this Guaranty shall be applicable to Guarantor but not to the shareholders of Guarantor who shall have no personal liability hereunder.

Executed this ___ day of _____, 20__ to be effective as of the date of Closing under that certain Purchase and Sale Agreement, having an Effective Date of November 22, 2010, by and among West Union Partners, LLC, West DeSoto Partners, LLC and West Partners, LLC, collectively, as sellers, and Core Properties LLC, as buyer, as the same may be amended from time to time.

GUARANTOR:

The West Clinic, P.C., a Tennessee
professional corporation

By: 

Name: Kurt Tover

Its: Secretary

EXHIBIT "A"

LEGAL DESCRIPTIONS

PROPERTY LOCATED IN MEMPHIS, SHELBY COUNTY, TENNESSEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT 1 PARCEL ONE

LOTS 16 THROUGH 21, INCLUSIVE, BLOCK B, M. F. GILCHRIST'S EAST MADISON HEIGHTS SUBDIVISION IN MEMPHIS, TENNESSEE, AS RECORDED IN PLAT BOOK 3, PAGE 85, IN THE REGISTER'S OFFICE OF MEMPHIS, SHELBY COUNTY, TENNESSEE, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A P.K. NAIL SET AT THE INTERSECTION OF THE SOUTH LINE OF MONROE AVENUE WITH THE WEST LINE OF SOUTH WILLETT STREET; THENCE SOUTH 5 DEGREES 25 MINUTES 35 SECONDS WEST WITH THE WEST LINE OF SOUTH WILLETT STREET A DISTANCE OF 90.00 FEET TO A P.K. NAIL SET IN THE NORTH LINE OF LOT 15; THENCE NORTH 84 DEGREES 20 MINUTES 40 SECONDS WEST WITH THE SAID NORTH LINE OF LOT 15 A DISTANCE OF 112.00 FEET TO AN IRON PIN SET IN THE WEST LINE OF SAID SUBDIVISION; THENCE NORTH 5 DEGREES 25 MINUTES 35 SECONDS EAST PARALLEL TO THE WEST LINE OF SOUTH WILLETT STREET A DISTANCE OF 90.00 FEET TO A P.K. NAIL SET IN THE SOUTH LINE OF MONROE AVENUE; THENCE SOUTH 84 DEGREES 20 MINUTES 40 SECONDS EAST WITH THE SOUTH LINE OF MONROE AVENUE A DISTANCE OF 112.00 FEET TO THE POINT OF BEGINNING.

PARCEL TWO

LOTS 1 THROUGH 27, INCLUSIVE, PART OF LOT 28, AND LOTS 84 THROUGH 91, INCLUSIVE, BLOCK A, M.F. GILCHRIST'S EAST MADISON HEIGHTS SUBDIVISION LESS PORTIONS TO WIDEN RIGHT OF WAY IN MEMPHIS, TENNESSEE, AS RECORDED IN PLAT BOOK 3, PAGE 85, IN THE REGISTER'S OFFICE OF MEMPHIS, SHELBY COUNTY, TENNESSEE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A CHISEL MARK SET IN THE NORTH LINE OF UNION AVENUE, SAID POINT BEING IN THE EAST END OF A CURVE HAVING A RADIUS OF 20.00 FEET LOCATED AT THE NORTHEAST CORNER OF UNION AVENUE AND SOUTH WILLETT STREET; THENCE NORTHWESTWARDLY AND ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET A DISTANCE OF 31.54 FEET TO A CHISEL MARK SET AT THE POINT OF TANGENCY IN THE EAST LINE OF SOUTH WILLETT STREET, CHORD, NORTH 39 DEGREES 45 MINUTES 15 SECONDS WEST A DISTANCE OF 28.37 FEET; THENCE NORTH 5 DEGREES 25 MINUTES 35 SECONDS EAST WITH THE EAST LINE OF SOUTH WILLETT STREET A DISTANCE OF 200.87 FEET TO A P.K. NAIL SET IN THE SOUTH LINE OF LOT 83; THENCE SOUTH 84 DEGREES 56 MINUTES 00 SECONDS EAST WITH THE SOUTH LINE OF LOT 83; THENCE SOUTH 84 DEGREES 56 MINUTES 00 SECONDS EAST WITH THE SAID SOUTH LINE OF LOT 83 A DISTANCE OF 110.90 FEET TO A P.K. NAIL SET AT THE SOUTHEAST CORNER OF LOT 83; THENCE NORTH 5 DEGREES 34 MINUTES 10 SECONDS EAST WITH THE EAST LINE OF LOTS 83, 82, 81, 80, 79, AND 78 A DISTANCE OF 89.13 FEET TO A P.K. NAIL SET IN THE SOUTH LINE OF MONROE AVENUE; THENCE SOUTH 85 DEGREES 53 MINUTES 15 SECONDS EAST WITH THE SOUTH LINE OF MONROE AVENUE A DISTANCE OF 111.10 FEET TO A P.K. NAIL SET IN THE WEST LINE OF SOUTH AVALON STREET; THENCE SOUTH 5 DEGREES 40 MINUTES 25 SECONDS WEST WITH THE WEST LINE OF SOUTH WILLETT STREET A DISTANCE OF 292.19 FEET TO A P.K. NAIL SET AT A POINT OF CURVATURE; THENCE SOUTHWESTWARDLY AND ALONG A CURVE TO THE RIGHT HAVE A RADIUS OF 20.00 FEET A DISTANCE OF 31.20 FEET TO A CHISEL MARK SET AT THE POINT OF TANGENCY IN THE NORTH LINE OF UNION AVENUE, CHORD SOUTH 50 DEGREES 22

MINUTES 10 SECONDS WEST A DISTANCE OF 28.13 FEET; THENCE NORTH 84 DEGREES 56 MINUTES 10 SECONDS WEST WITH THE NORTH LINE OF UNION AVENUE OF 180.93 FEET TO THE POINT OF BEGINNING.

BEING THE SAME PROPERTY CONVEYED IN WARRANTY DEED OF RECORD IN INSTRUMENT 0411 1128, IN THE REGISTER'S OFFICE, SHELBY COUNTY, TENNESSEE.

PARCEL THREE

LOTS 79, 80, 81, 82, 83 AND SOUTH 7.5 FEET OF LOT 78, BLOCK "A" EAST MADISON HEIGHTS SUBDIVISION, IN CITY OF MEMPHIS, AS PER PLAT RECORDED IN PLAT BOOK 3, PAGE 85, IN THE REGISTER'S OFFICE OF SHELBY COUNTY, TENNESSEE AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A CHISEL MARK CUT IN THE CONCRETE SIDEWALK IN THE EAST LINE OF SOUTH WILLETT STREET 220.7 FEET NORTHWARDLY FROM THE NORTH LINE OF UNION AVENUE, AS NOW IMPROVED (80 FEET WIDE); THENCE NORTHWARDLY WITH SAID EAST LINE OF SOUTH WILLETT STREET 82.5 FEET TO A CHISEL MARK IN SAID EAST LINE; THENCE EASTWARDLY ALONG THE SOUTH LINE OF CITY OF MEMPHIS PROPERTY 112 FEET TO AN IRON STAKE; THENCE SOUTHWARDLY PARALLEL WITH SOUTH WILLETT STREET 82.5 FEET TO THE LINE DIVIDING LOTS 83 AND 84 OF SAID BLOCK A; THENCE WESTWARDLY WITH SAID DIVIDING LINE 112 FEET TO THE POINT OF BEGINNING AND BEING ALL OF THE SAME PROPERTY CONVEYED TO GRANTOR BY WARRANTY DEED RECORDED AS INSTRUMENT GS 9158 IN SAID REGISTER'S OFFICE.

SCHEDULE 20
SNDA AND RELATED DOCUMENTS

UNCONDITIONAL LEASE AGREEMENT GUARANTY

The West Clinic, P.C., a Tennessee professional corporation, having its principal address at 100 N. Humphreys Blvd., Memphis, Tennessee 38120 ("Guarantor"), in order to induce Core Memphis LLC, an Ohio limited liability company, having its principal address at 1515 Lake Shore Drive, Suite 225, Columbus, Ohio 43204 ("Landlord") to lease that certain real property commonly known as 1580 Union Avenue, Memphis, Tennessee 38104, and as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Leased Premises"), to West Union Partners, LLC, a Tennessee limited liability company, having its principal address at 100 N. Humphreys Blvd., Memphis, Tennessee 38120 ("Tenant"), upon the terms and conditions of that certain Lease Agreement, dated as of even date herewith, between Landlord and Tenant (the "Lease"), and in further consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid, does hereby agree to the terms and conditions of this Unconditional Lease Agreement Guaranty (this "Guaranty") as follows:

1. As a condition of Landlord entering into the Lease and leasing the Leased Premises to Tenant, Landlord requires that Guarantor guarantee the full payment and performance of all obligations under the Lease to be kept and performed by Tenant, including, but not limited to, the payment of all rent and other charges set forth thereunder, and Guarantor acknowledges that Landlord would not enter into the Lease without Guarantor's execution and delivery of this Guaranty.

2. From and after the date hereof, Guarantor hereby guarantees unto Landlord, its successors and assigns, the full, prompt and complete payment by Tenant of all Rent (as defined in the Lease) together with all other sums, costs, expenses, charges, damages and other payments provided for in the Lease that are the responsibility of Tenant, and the prompt, faithful, and complete performance and observance by Tenant of all of the terms, covenants, and conditions of the Lease on Tenant's part to be performed or observed after the date hereof.

3. All obligations of Guarantor under this Guaranty shall be primary, direct, absolute, unconditional and continuing, and shall remain in full force and effect until all of the obligations of Tenant under the Lease now existing or hereafter incurred shall have been paid and discharged in full and otherwise satisfied. Guarantor agrees to be bound by each and every terms, condition, covenant and obligation in the Lease with the same force and effect as if it was designated in and had executed said Lease as Tenant thereunder.

4. No renewal, extension, change, alteration, modification or amendment of the Lease or forbearance by Landlord with respect to the Lease shall affect, in any manner, Guarantor's liability hereunder.

5. Guarantor agrees that this Guaranty may be enforced by Landlord without first resorting to or exhausting any other remedy available under the Lease or any other related agreement. The obligations hereunder are independent of the obligations of Tenant, and a separate action or actions may be brought and prosecuted against Guarantor regardless of whether any action is brought against Tenant or whether Tenant be joined in any such action(s). There shall be no duty or obligation of Landlord to exhaust any remedy in law or in equity against Tenant before bringing suit or instituting proceedings of any kind against Guarantor. The liability of Guarantor shall continue until full performance and full payment of all obligations of Tenant now due or hereafter to become due under the Lease or any other related agreement to which Tenant is obligated to Landlord shall be fully satisfied, including payment of all damages and losses which may be incurred by Landlord. This Guaranty is a guarantee of payment and not of collection.

6. Until all obligations of Tenant under the Lease have been fully performed or satisfied, Guarantor shall have no right of subrogation and Guarantor further hereby waives any benefit of and right to participate in any security now or hereafter held by Landlord with respect to the Lease. During the occurrence of an uncured Event of Default (as defined in the Lease), Guarantor subordinates to and postpones in favor of the obligations owed Landlord any present and future debts and obligations of Tenant to Guarantor (excepting any debts and obligations of Tenant to Guarantor in connection with the re-payment in the ordinary course of business of any credit facility of Guarantor, whether now in existence or later obtained). No setoff, counterclaim, reduction or diminution of any obligation, or any defense of any kind or nature that Guarantor has or may have against Tenant will be available as a defense of Guarantor against Landlord hereunder.

7. Guarantor hereby waives (a) notice of acceptance of this Guaranty and of the execution and delivery of the Lease by Tenant; (b) diligence, presentment and demand for payment of any installment of Rent or demand for performance of any other obligation under the Lease; (c) protest and notice of default to Guarantor or to any other party with respect to the Lease; and (d) any demand for payment under this Guaranty.

8. No delay on the part of Landlord in exercising any rights hereunder or failure to exercise the same shall operate as a waiver of any such rights. No notice to or demand on Guarantor shall be deemed to be a waiver of any obligation of Guarantor or of the right of Landlord to take further action without notice or demand as provided herein, nor in any event shall any modification or waiver of the provisions of this Guaranty be effective unless in writing, nor shall any such waiver be applicable except in the specific instance for which it was given.

9. This Guaranty shall be a continuing guaranty, and the liabilities and obligations of Guarantor hereunder shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by: (i) any exercise or non-exercise of any right, power, remedy or privilege under or in respect of the Lease or this Guaranty or any waiver, consent, extension, renewal, modification or any modification or change in any of the terms, covenants, conditions or provisions of the Lease or any assignment or transfer of the Lease, (ii) any voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, merger, consolidation, arrangement, composition with creditors or readjustment or other similar proceedings affecting Tenant or Guarantor or any assignee thereof or any of the assets of any of them, or any allegation or contest of the validity of this Guaranty or the Lease or the disaffirmance of this Guaranty or the Lease in any such proceeding, (iii) any limitation on the liability or obligation of Tenant under the Lease or its estate in bankruptcy or of any remedy for the enforcement thereof resulting from the operation of any present or future provision of the Bankruptcy Code or other statute, whether state or federal, (iv) the disaffirmance or abandonment by any trustee or receiver of Tenant, its successors or assigns, whether or not Guarantor has notice or knowledge of any of the foregoing, (v) the default or failure of Guarantor to fully perform any of its obligations set forth in this Guaranty, or (vi) to the extent permitted by law, any event or action that would, in the absence of this clause, result in the release or discharge by operation of law of Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty.

10. Any modification, limitation, or discharge of the liability of Tenant under the Lease arising out of or by virtue of any bankruptcy, arrangement, reorganization or similar proceeding for relief of debtors under federal or state law shall not affect, modify, limit, or discharge the liability of Guarantor in any manner whatsoever and this Guaranty shall remain and continue in full force and effect and shall be enforceable against Guarantor to the same extent and with the same force and effect as if any such proceedings had not been instituted; and Guarantor shall and does hereby waive all rights and benefits

which might accrue to it by reason of any such proceeding and agrees that it shall be liable for all of Tenant's payment and performance obligations under the Lease irrespective and without regard to any modification, limitation, or discharge of the liability of Tenant that may result from any such proceeding. Guarantor will not take any action nor will it permit Tenant to take any action which would affect the priority, validity or enforceability of the obligations created by this Guaranty.

11. Guarantor shall remain liable under this Guaranty notwithstanding Tenant's assignment of the Lease or Tenant's subletting of any portion of the Leased Premises, by operation of law or otherwise.

12. This Guaranty may not be amended, modified, discharged or terminated in any manner unless in writing signed by Landlord and Guarantor.

13. This Guaranty is and shall be deemed to be a contract entered into under and pursuant to the laws of the State of Tennessee and shall be in all respects governed, construed, applied and enforced in accordance with the laws of the State of Tennessee. If Landlord is required to enforce Guarantor's obligations by legal proceedings, Guarantor shall pay to Landlord all costs incurred, including, without limitation, reasonable attorneys' fees. Guarantor hereby waives trial by jury in any such legal proceedings. Guarantor waives the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty.

14. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time any whole or partial payment or performance of any obligation under the Lease or this Guaranty is or is sought to be rescinded or must otherwise be restored or returned by Landlord upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Tenant or Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for Tenant of Guarantor or any substantial part of Tenant or Guarantor's property, or otherwise, all as though such payments and performance had not been made.

15. Guarantor will, at any time and from time to time, within ten (10) business days following written request by Landlord, execute, acknowledge and deliver to Landlord a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications). Such certificate may be relied on by anyone holding or proposing to acquire any interest in the Leased Premises from or through Landlord or by any mortgagee or prospective mortgagee of the Leased Premises or of any interest therein.

16. Inasmuch as the ownership of Guarantor is identical to that of Tenant, Guarantor acknowledges and agrees that it will benefit directly and materially from the execution and delivery of the Lease. This Guaranty shall be enforceable against and binding upon Guarantor and its successors and assigns; provided, however, that the foregoing shall in no event be deemed an approval by Landlord for Guarantor to assign this Guaranty.

17. The rights and remedies given to Landlord by this Guaranty shall be deemed to be cumulative and not one of such rights and remedies shall be exclusive at law or in equity of the rights and remedies which Landlord might otherwise have by virtue of a default under this Guaranty, and the exercise of one such right or remedy by Landlord shall not impair Landlord's standing to exercise any other rights or remedies.

18. Landlord may assign this Guaranty in connection with a sale of the Leased Premises that is the subject of the Lease and this Guaranty will inure to the benefit of Landlord's successors and assigns

and Landlord may collateralize this Guaranty to its mortgagee in connection with any financing secured by the Leased Premises. Guarantor may not assign this Guaranty without the prior written consent of Landlord, which consent may be withheld based on the sole and absolute discretion of Landlord.

19. If any term or provision of this Guaranty, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Guaranty shall be valid and be enforced to the fullest extent permitted by law.

20. Guarantor represents to Landlord that the individual executing this Guaranty is authorized to do so without the necessity of obtaining any other signature of any other officer that the execution of this Guaranty has been authorized by all corporate action required under the authorizing instruments of such Guarantor and that this Guaranty is fully binding on the Guarantor.

21. For purposes of clarification, Landlord and Guarantor acknowledge and agree that the terms and conditions of this Guaranty shall be applicable to Guarantor but not to the shareholders of Guarantor who shall have no personal liability hereunder.

Executed this 5th day of January 2011 to be effective as of the date of Closing under that certain Purchase and Sale Agreement, having an Effective Date of November 22, 2010, by and among West Union Partners, LLC, West DeSoto Partners, LLC and West Partners, LLC, collectively, as sellers, and Core Properties LLC, as buyer, as the same may be amended from time to time.

GUARANTOR:

The West Clinic, P.C., a Tennessee
professional corporation

By: Kurt Tower

Name: Kurt Tower

Its: Secretary

EXHIBIT A

LEGAL DESCRIPTION

PROPERTY LOCATED IN MEMPHIS, SHELBY COUNTY, TENNESSEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT 1
PARCEL ONE

LOTS 16 THROUGH 21, INCLUSIVE, BLOCK B, M. F. GILCHRIST'S EAST MADISON HEIGHTS SUBDIVISION IN MEMPHIS, TENNESSEE, AS RECORDED IN PLAT BOOK 3, PAGE 85, IN THE REGISTER'S OFFICE OF MEMPHIS, SHELBY COUNTY, TENNESSEE, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A P.K. NAIL SET AT THE INTERSECTION OF THE SOUTH LINE OF MONROE AVENUE WITH THE WEST LINE OF SOUTH WILLETT STREET; THENCE SOUTH 5 DEGREES 25 MINUTES 35 SECONDS WEST WITH THE WEST LINE OF SOUTH WILLETT STREET A DISTANCE OF 90.00 FEET TO A P.K. NAIL SET IN THE NORTH LINE OF LOT 15; THENCE NORTH 84 DEGREES 20 MINUTES 40 SECONDS WEST WITH THE SAID NORTH LINE OF LOT 15 A DISTANCE OF 112.00 FEET TO AN IRON PIN SET IN THE WEST LINE OF SAID SUBDIVISION; THENCE NORTH 5 DEGREES 25 MINUTES 35 SECONDS EAST PARALLEL TO THE WEST LINE OF SOUTH WILLETT STREET A DISTANCE OF 90.00 FEET TO A P.K. NAIL SET IN THE SOUTH LINE OF MONROE AVENUE; THENCE SOUTH 84 DEGREES 20 MINUTES 40 SECONDS EAST WITH THE SOUTH LINE OF MONROE AVENUE A DISTANCE OF 112.00 FEET TO THE POINT OF BEGINNING.

PARCEL TWO

LOTS 1 THROUGH 27, INCLUSIVE, PART OF LOT 28, AND LOTS 84 THROUGH 91, INCLUSIVE, BLOCK A, M.F. GILCHRIST'S EAST MADISON HEIGHTS SUBDIVISION LESS PORTIONS TO WIDEN RIGHT OF WAY IN MEMPHIS, TENNESSEE, AS RECORDED IN PLAT BOOK 3, PAGE 85, IN THE REGISTER'S OFFICE OF MEMPHIS, SHELBY COUNTY, TENNESSEE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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MINUTES 10 SECONDS WEST A DISTANCE OF 28.13 FEET; THENCE NORTH 84 DEGREES 56 MINUTES 10 SECONDS WEST WITH THE NORTH LINE OF UNION AVENUE OF 180.93 FEET TO THE POINT OF BEGINNING.

BEING THE SAME PROPERTY CONVEYED IN WARRANTY DEED OF RECORD IN INSTRUMENT 0411 1128, IN THE REGISTER'S OFFICE, SHELBY COUNTY, TENNESSEE.

PARCEL THREE

LOTS 79, 80, 81, 82, 83 AND SOUTH 7.5 FEET OF LOT 78, BLOCK "A" EAST MADISON HEIGHTS SUBDIVISION, IN CITY OF MEMPHIS, AS PER PLAT RECORDED IN PLAT BOOK 3, PAGE 85, IN THE REGISTER'S OFFICE OF SHELBY COUNTY, TENNESSEE AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A CHISEL MARK CUT IN THE CONCRETE SIDEWALK IN THE EAST LINE OF SOUTH WILLETT STREET 220.7 FEET NORTHWARDLY FROM THE NORTH LINE OF UNION AVENUE, AS NOW IMPROVED (80 FEET WIDE); THENCE NORTHWARDLY WITH SAID EAST LINE OF SOUTH WILLETT STREET 82.5 FEET TO A CHISEL MARK IN SAID EAST LINE; THENCE EASTWARDLY ALONG THE SOUTH LINE OF CITY OF MEMPHIS PROPERTY 112 FEET TO AN IRON STAKE; THENCE SOUTHWARDLY PARALLEL WITH SOUTH WILLETT STREET 82.5 FEET TO THE LINE DIVIDING LOTS 83 AND 84 OF SAID BLOCK A; THENCE WESTWARDLY WITH SAID DIVIDING LINE 112 FEET TO THE POINT OF BEGINNING AND BEING ALL OF THE SAME PROPERTY CONVEYED TO GRANTOR BY WARRANTY DEED RECORDED AS INSTRUMENT GS 9158 IN SAID REGISTER'S OFFICE.

This Instrument Prepared By:

DLA Piper LLP (US)
550 S. Hope Street, Suite 2300
Los Angeles, California 90071
Attention: Michael Hamilton, Esq.

SPECIAL WARRANTY DEED

<i>Address New Owner as Follows:</i>	<i>Send Tax Bills To</i>
Memphis West Clinic LLC c/o Oberdier Ressmeyer LLP 655 Third Avenue, 28th Floor New York, New York 10017	Memphis West Clinic LLC c/o Oberdier Ressmeyer LLP 655 Third Avenue, 28th Floor New York, New York 10017
<i>Map & Parcel No.:</i> Map 139B Parcel Nos. 017027 00017C; 017028 00011C and 017028 00013C	

FOR AND IN CONSIDERATION of the sum of Ten (\$10.00) Dollars, and other good and valuable consideration, receipt of which is hereby acknowledged, **TN MS OWNER DST**, a Delaware statutory trust ("**Grantor**"), has bargained and sold and does hereby transfer and convey unto **MEMPHIS WEST CLINIC LLC**, a Delaware limited liability company ("**Grantee**"), its successors and assigns, a certain tract of land located in Shelby County, Tennessee and described as follows (the "**Property**");

See Exhibit A attached hereto.

This is improved property known as 1580 Union Avenue, Memphis, Tennessee 38104.

TO HAVE AND TO HOLD the Property, together with all the appurtenances and hereditaments thereunto belonging or in anywise appertaining, to the said Grantee, its successors and assigns, forever.

AND Grantor does hereby covenant with Grantee that it is lawfully seized and possessed of the Property in fee simple and that it has good right to sell and convey the same.

AND Grantor does further covenant and bind itself, its successors and assigns, to warrant and forever defend the title to the Property against the lawful claims of all persons claiming by, through or under Grantor, but no further or otherwise, subject however to the matters set forth on Exhibit B attached hereto.

This Special Warranty Deed arises out of, is subject to, and is governed by that certain Purchase and Sale Agreement (West Clinic), dated as of July 15, 2014, by and between Grantor and Arc Real Estate Group LLC, a Delaware limited liability company (as amended and assigned, collectively, the "**Agreement**"). Without limitation thereto, this Special Warranty Deed is subject to the terms, conditions and limitations set forth in Sections 5, 6.1, 10.3, 10.4, 10.5, 13.1 and 17.12 of the Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Agreement.

[SIGNATURE PAGE FOLLOWS]

22nd IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed on this
day of August, 2014,

GRANTOR:

TN MS OWNER DST,
a Delaware statutory trust

By: NLC Trustee Servicing LLC,
a Delaware limited liability company,
its Trustee

By: 

Name: Douglas F. Blough

Title: Manager

STATE OF New Hampshire)
)
COUNTY OF Hillsborough)

Personally appeared before me, ANDRA . FOSTER Notary Public in and for said County and State, DOUGLAS FBLUGH, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the Authorized Signatory of NLC Trustee Servicing LLC, a Delaware limited liability company, the Trustee of TN MS Owner DST, a Delaware statutory trust, the Grantor of the foregoing instrument, and is authorized by such Grantor to execute this instrument on behalf of such Grantor.

WITNESS my hand, at office, this 14 day of August, 2014.


NOTARY PUBLIC

My Commission Expires:

ANDRA M. FOSTER, Notary Public
~~My Commission Expires January 11, 2017~~



STATE OF Tennessee)
COUNTY OF Rutherford)

The actual consideration or value, whichever is greater, for this transfer is \$ 5,932,909.00

Cynthia J. Atkin
AFFIANT

Subscribed and sworn to before me this 20th day of August, 2014.

Sandra S. Jackson
NOTARY PUBLIC

My Commission Expires:

11-23-2015



Exhibit A
To
Special Warranty Deed

Legal Description

PROPERTY LOCATED IN MEMPHIS, SHELBY COUNTY, TENNESSEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOTS 16 THROUGH 21, BLOCK B, M. F. GILCHRIST'S EAST MADISON HEIGHTS SUBDIVISION AS RECORDED IN SHELBY COUNTY REGISTER'S OFFICE, PLAT BOOK 3, PAGE 85 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT OF INTERSECTION WITH THE SOUTH LINE OF MONROE AVENUE (60 FEET WIDE) AND THE WEST LINE OF SOUTH WILLETT STREET (50 FEET WIDE); THENCE ALONG SAID WEST LINE OF SOUTH WILLETT STREET, SOUTH 05 DEGREES 25 MINUTES 35 SECONDS WEST A DISTANCE OF 90.00 FEET; THENCE ALONG THE NORTH LINE OF LOT 15 BEING THE NORTH LINE OF EVANS INSURANCE AGENCY PROPERTY (INST. MS 9375), NORTH 84 DEGREES 17 MINUTES 19 SECONDS WEST A DISTANCE OF 112.00 FEET TO A POINT IN THE EAST LINE OF THE FIFTEEN 56 PARTNERS PROPERTY (INST. Y9 7724); THENCE NORTH 05 DEGREES 25 MINUTES 35 SECONDS EAST A DISTANCE OF 90.00 FEET; THENCE ALONG THE SOUTH LINE OF MONROE AVENUE, SOUTH 84 DEGREES 17 MINUTES 19 SECONDS EAST A DISTANCE OF 112.00 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

LOTS 1 THROUGH 27, PART OF LOT 28, AND LOTS 84 THROUGH 91, BLOCK A, M. F. GILCHRIST'S EAST MADISON HEIGHTS SUBDIVISION, LESS PORTIONS TO WIDEN RIGHT OF WAY, AS RECORDED IN SHELBY COUNTY REGISTER'S OFFICE, PLAT BOOK 3, PAGE 85 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE PRESENT NORTH LINE OF UNION AVENUE (80 FEET WIDE), SAID POINT BEING 20.12 FEET EASTWARDLY FROM THE EAST LINE OF SOUTH WILLETT STREET (50 FEET WIDE); THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET, A CHORD BEARING OF NORTH 39 DEGREES 45 MINUTES 44 SECONDS WEST, A CHORD DISTANCE OF 28.38 FEET AN ARC DISTANCE OF 31.54 FEET; THENCE ALONG THE EAST LINE OF SOUTH WILLETT STREET, NORTH 05 DEGREES 25 MINUTES 35 SECONDS EAST A DISTANCE OF 200.87 FEET; THENCE SOUTH 84 DEGREES 56 MINUTES 00 SECONDS EAST A DISTANCE OF 110.90 FEET; THENCE NORTH 05 DEGREES 34 MINUTES 10 SECONDS EAST A DISTANCE OF 89.13 FEET TO A POINT IN THE SOUTH LINE OF MONROE AVENUE (60 FEET WIDE); THENCE ALONG THE SOUTH LINE OF MONROE AVENUE, SOUTH 85 DEGREES 53 MINUTES 15 SECONDS EAST A DISTANCE OF 111.10 FEET TO THE INTERSECTION OF SAID SOUTH LINE WITH THE WEST LINE OF SOUTH AVALON STREET (50 FEET WIDE); THENCE ALONG THE WEST LINE OF SOUTH AVALON STREET, SOUTH 05 DEGREES 40 MINUTES 25 SECONDS WEST A DISTANCE OF 292.19 FEET TO A POINT OF CURVE; THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET, A CHORD BEARING OF SOUTH 50 DEGREES 21 MINUTES 52 SECONDS WEST, A CHORD DISTANCE OF 28.13 FEET AN ARC DISTANCE OF 31.20 FEET TO A POINT IN THE NORTH

LINE OF UNION AVENUE; THENCE ALONG THE NORTH LINE OF UNION AVENUE, NORTH 84 DEGREES 56 MINUTES 10 SECONDS WEST A DISTANCE OF 180.93 FEET TO THE POINT OF BEGINNING.

PARCEL THREE:

LOTS 79, 80, 81, 82, 83 AND THE SOUTH 7.5 FEET OF LOT 78, BLOCK A IN EAST MADISON HEIGHTS SUBDIVISION AS RECORDED IN SHELBY COUNTY'S REGISTER'S OFFICE, PLAT BOOK 3, PAGE 85 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF SOUTH WILLETT STREET (50 FEET WIDE), SAID POINT BEING 220.99 FEET NORTHWARDLY FROM THE NORTH LINE OF UNION AVENUE (80 FEET WIDE); THENCE ALONG SAID EAST LINE OF SOUTH WILLETT STREET, NORTH 05 DEGREES 25 MINUTES 35 SECONDS EAST A DISTANCE OF 82.50 FEET TO A POINT IN THE SOUTH LINE OF THE CITY OF MEMPHIS PROPERTY; THENCE SOUTH 84 DEGREES 56 MINUTES 00 SECONDS EAST A DISTANCE OF 111.11 FEET; THENCE SOUTH 05 DEGREES 34 MINUTES 10 SECONDS WEST A DISTANCE OF 82.50 FEET; THENCE NORTH 84 DEGREES 56 MINUTES 00 SECONDS WEST A DISTANCE OF 110.90 FEET TO THE POINT OF BEGINNING.

BEING THE SAME PROPERTY CONVEYED TO TN MS OWNER DST, A DELAWARE STATUTORY TRUST BY SPECIAL WARRANTY DEED DATED MAY 16, 2014 FROM CORE MEMPHIS LLC, AN OHIO LIMITED LIABILITY COMPANY OF RECORD IN INSTRUMENT 14052535, REGISTER'S OFFICE FOR SHELBY COUNTY, TENNESSEE.

Exhibit B
To
Special Warranty Deed

Exceptions

1. Any lien, or right to a lien, for services, labor, or material hereto or hereafter furnished, imposed by law and not shown by the public records.
2. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records.
3. Easement Contract of record in Book 4232, Page 118, Book 4232, Page 120, Book 4559, Page 405, Instrument, F35472, said Register's Office.
4. Subject to rights of others in possession under the terms and conditions contained in the Memorandum of Lease of record in Instrument 11049276, said Register's Office.
5. Right-of-Way for Monroe Avenue, as much as therein may lie.
6. Right-of-Way for South Willett Street, as much as therein may lie.
7. Right-of-Way for Union Avenue, as much as therein may lie.
8. Rights of West Union Partners, LLC, as tenant only, and Methodist Le Bonheur Healthcare, as subtenant only, with no options to purchase or rights of first refusal.
9. That certain ALTA/ACSM survey prepared by Campbell Surveying Co. Inc., dated May 14, 2014, as Job No. 02052008.
10. County of Shelby taxes for the year 2014 and subsequent years, a lien not yet ascertainable, due or payable.
11. City of Memphis taxes for the year 2015 and subsequent years, a lien not yet ascertainable, due or payable.
12. Deed of Trust, Assignment of Leases and Rents and Security Agreement, by TN MS Owner DST, a Delaware statutory trust, to Frank Alvstad, a resident of Davidson County, Tennessee, trustee for German American Capital Corporation, a Maryland corporation, recorded on May 22, 2014, in Instrument 14052728, Register's Office for Shelby County, Tennessee.
13. Assignment of Leases and Rents, by TN MS Owner DST, a Delaware statutory trust, recorded on May 22, 2014, in Instrument 14052729, Register's Office for Shelby County, Tennessee.
14. Subordination, Non-Disturbance and Attornment Agreement, by and among West Union Partners, LLC, a Tennessee limited liability company, German American Capital Corporation, a Maryland corporation, and TN MS Owner DST, a Delaware statutory trust, recorded on May 22, 2014, in Instrument 14052730, Register's Office for Shelby County, Tennessee.

15. Subordination, Non-Disturbance and Attornment Agreement, by and among Methodist Le Bonheur Healthcare, a Tennessee non-profit corporation, German American Capital Corporation, a Maryland corporation, and TN MS Owner DST, a Delaware statutory trust, recorded on May 22, 2014, in Instrument 14052731, Register's Office for Shelby County, Tennessee.

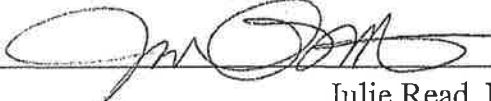
True Copy Certification

I, Sandra S. Jackson, do hereby make oath that I am the custodian of the electronic version of the attached document tendered for registration herewith and that this is a true and correct copy of the original document executed and authenticated according to law.


Sandra S. Jackson

State of TENNESSEE
County of RUTHERFORD

Personally appeared before me, Julie Read, a notary public for this county and state, Sandra S. Jackson who acknowledges that this certification of an electronic document is true and correct and whose signature I have witnessed.


Julie Read, Notary

My Commission Expires: 2-20-17





Tom Leatherwood
Shelby County Register / Archives

As evidenced by the instrument number shown below, this document
has been recorded as a permanent record in the archives of the
Office of the Shelby County Register.

14091172

09/05/2014 - 03:20 PM

9 PGS	
LEDA	1248043 - 14091172
VALUE	5952909.00
MORTGAGE TAX	0.00
TRANSFER TAX	22025.76
RECORDING FEE	45.00
DP FEE	2.00
REGISTER'S FEE	1.00
WALK THRU FEE	0.00
TOTAL AMOUNT	22073.76

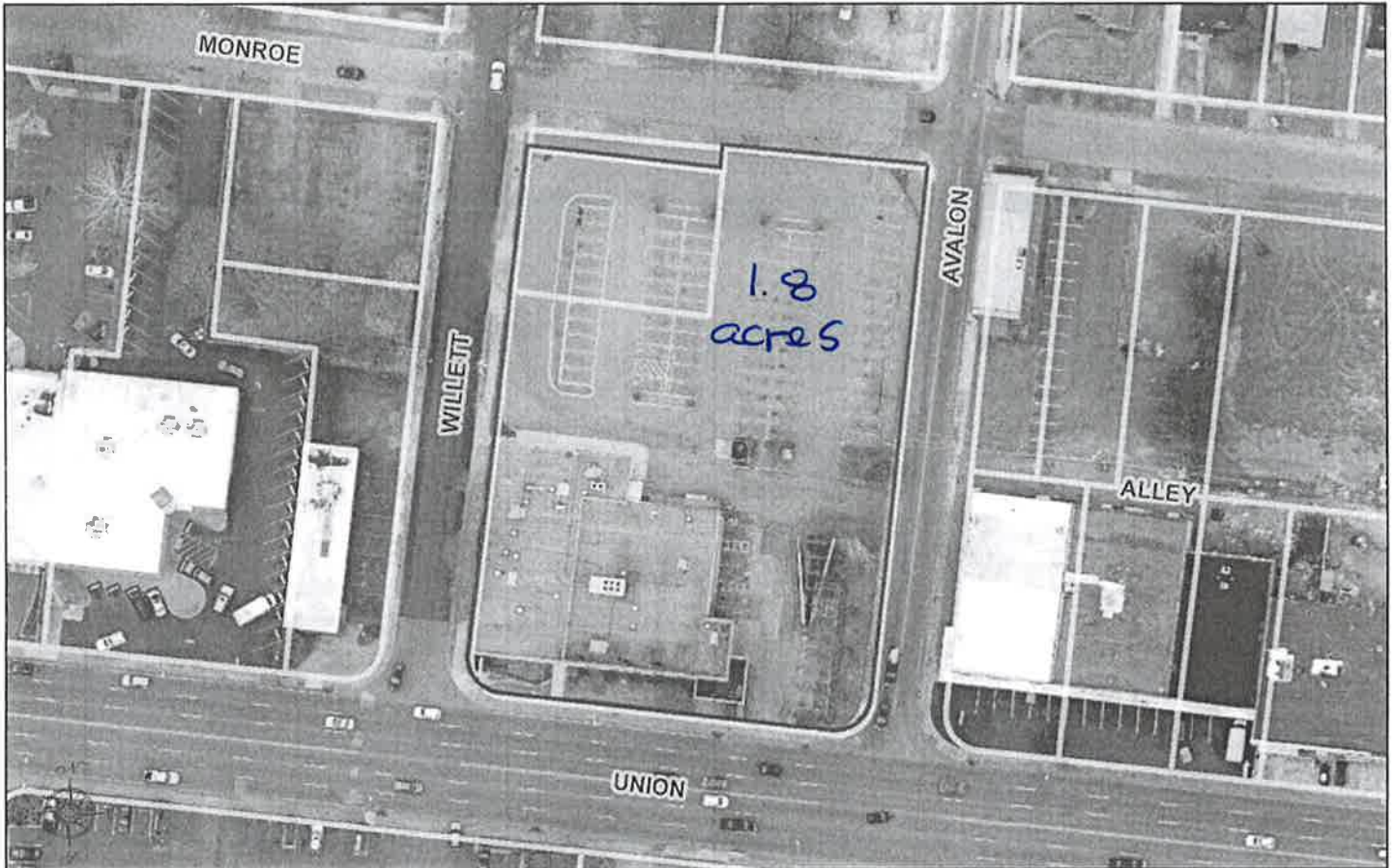
TOM LEATHERWOOD

REGISTER OF DEEDS SHELBY COUNTY TENNESSEE

Attachment 6-B-1

Plot Plan

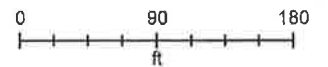
1580 Union



**TOM LEATHERWOOD, REGISTER OF DEEDS
SHELBY COUNTY, TENNESSEE**

DISCLAIMER: PROPERTY TAX MAPS AND PARCEL BOUNDARIES DO NOT REFLECT ACCURATE SURVEY INFORMATION OR EXACT LEGAL OWNERSHIP BOUNDARIES, AND ARE ONLY PROVIDED FOR GENERAL INFORMATION PURPOSES. THEREFORE, THEY SHOULD NOT BE RELIED UPON AS A REPRESENTATION OF ANY PROPERTY FOR ANY PURPOSE.

MAP DATE: August 13, 2018



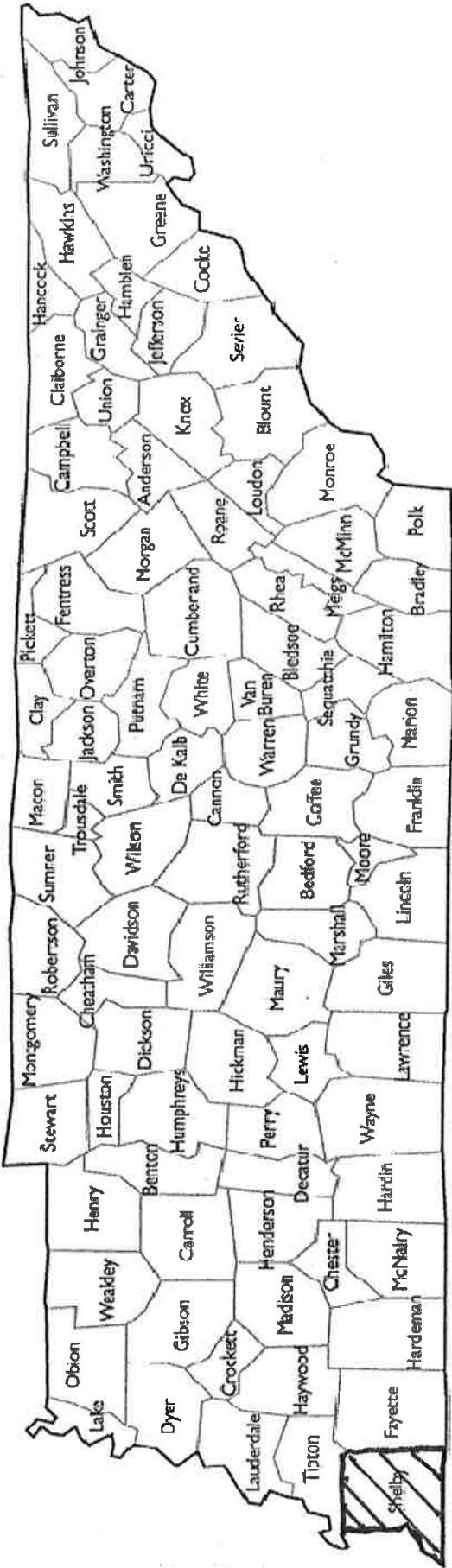
Attachment 6-B-2

Floor Plan

Attachment B, Need 3-3

Map of Service Area by County

County Level Map



Service Area

Attachment B, Economic Feasibility - 2

Bank Letter

**Attachment C, Contribution to the Orderly Development
Of Health Care**

Proof of Publication

**The Commercial Appeal
Affidavit of Publication**

STATE OF TENNESSEE

COUNTY OF SHELBY

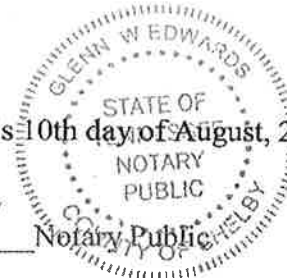
Personally appeared before me, Glenn W. Edwards, a Notary Public, Helen Curl, of MEMPHIS PUBLISHING COMPANY, a corporation, publishers of The Commercial Appeal, morning and Sunday paper, published in Memphis, Tennessee, who makes oath in due form of law, that she is Legal Clerk of the said Memphis Publishing Company, and that the accompanying and hereto attached advertisement was published in the following editions of The Commercial Appeal, to-wit:

August 10, 2018

Helen Curl

Subscribed and sworn to before me this 10th day of August, 2018.

Glenn W. Edwards



My commission expires January 20, 2020.

Legal Notices

MALLORY ROAD 181.29' TO A POINT; THENCE SOUTH 00 DEGREES 00 MINUTES 07 SECONDS EAST PARALLEL TO THE WEST LINE OF ROBIN HOOD LANE 208.78 FEET, MORE OR LESS, TO A POINT IN THE NORTH LINE OF PROPERTY CONVEYED TO B.L. HURT AND WIFE, SUE HURT BY INSTRUMENT OF RECORD IN REGISTER'S NO. J5 5287, SAID REGISTER'S OFFICE, THENCE WEST ALONG THE NORTH LINE OF SAID HURT PROPERTY 181.29', MORE OR LESS, TO THE WEST LINE OF THE PROPERTY CONVEYED TO JAMES S. RICHARDSON AND WIFE, MARGARET LEE RICHARDSON BY INSTRUMENT OF RECORD IN BOOK 2540, PAGE 149, AFORESAID;

Legal Notices

THENCE NORTH 00 DEGREES 11 MINUTES 31 SECONDS EAST 209.12, MORE OR LESS, AND TO THE POINT OF BEGINNING. Parcel ID: 058019 00006 PROPERTY ADDRESS: The street address of the property is believed to be 3649 E MALLORY AVE, MEMPHIS, TN 38111. In the event of any discrepancy between this street address and the legal description of the property, the legal description shall control. CURRENT OWNER(S): ESTATE AND/OR HEIRS AT LAW of Dennis Washington OTHER INTERESTED PARTIES: The sale of the above-described property shall be subject to all matters shown on any recorded plat; any unpaid taxes; any restrictive covenants, ease-

Legal Notices

ments or set-back lines that may be applicable; any prior liens or encumbrances as well as any priority created by a fixture filing; and to any matter that an accurate survey of the premises might disclose. This property is being sold with the express reservation that it is subject to confirmation by the lender or Substitute Trustee. This sale may be rescinded at any time. The right is reserved to adjourn the day of the sale to another day, time, and place certain without further publication, upon announcement at the time and place for the sale set forth above. All right and equity of redemption, statutory or otherwise, homestead, and dower are expressly waived in said Deed of Trust, and the title is believed to be good, but the undersigned will sell and convey only as Substitute Trustee. The Property is sold as is, where is, without representations or warranties of any kind, including fitness for a particular use or purpose. THIS LAW FIRM IS ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. Rubin Lublin TN, PLLC, Substitute Trustee 119 S. Main Street, Suite 500 Memphis, TN 38103 www.rublinlublin.com/property-listings.php Tel: (877) 813-0992 Fax: (404) 601-5846 Ad #142161 08/10/2018, 08/17/2018, 08/24/2018

Legal Notices

P.L.L.C., having been appointed Successor Trustee by Bank, N.A. as Trustee for Manufactured Housing Corporation/ Subordinate Through Certificate 2001 NOW, THEREFORE, notice hereby given that the indebtedness has declared due and pay and that an agent of V & Associates, P.L.L.C., as Successor Trustee, by virtue of the power, duty, and authority vested in and upon said Successor Trustee by U.S. Bank, N.A. as Trustee for Manufactured Housing Corporation/ Subordinate Through Certificate 2001-3, will, on September 18, 2018, at 1:15 P.M. at the Weakley County Courthouse, Dresden, Tennessee, offer for sale certain property hereinafter described to the highest bidder FOR cash funds paid at the conclusion of the sale, or credit bid a bank or other lending institution pre-approved by the Successor Trustee. The sale is from all exemptions, and are expressly waived in Deed of Trust, said property being real estate situated Weakley County, Tennessee and being more particularly described as follows:

BEGINNING at a point in established fence line, point being in Frank G. Sr. east line, being William Harrison's southwest corner of the tract of which parcel is a part of; then an easterly direction with fence and the south line Harrison 275 feet to a point said point being on the side of an unnamed County Road, which unnamed County Road may have formerly been known as Warren Road; thence making a line through Westbrook southerly direction and ending said road to a point point being 125 feet west of Nina Nailing's northwest corner, thence continuing in a southerly direction remaining 125 feet west of Nailing's west line, for a distance of 175 feet to a point thence in a westerly direction, making another new through Westbrook, a distance of 275 feet to a point established fence, said also being in Frank G. Sr. east line; thence in a northerly direction with said fence Frank G. Smith's east line feet to the point of beginning (Description provided by dell Alexander Realty.) ALSO KNOWN AS: 137 Brooks Lane, Dresden 38225-1986

This sale is subject to all terms shown on any applicable recorded plat; any u

Legal Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that:

West Cancer Center, owned by: West Clinic, PC with an ownership type of professional corporation, and to be managed by itself, intends to file an application for a Certificate of Need for the initiation of PET/CT services located at 1588 Union Avenue Memphis (Shelby County), Tennessee 38104. The applicant will initiate this service with existing major medical equipment that is already utilized by West Clinic for its patients. The equipment is currently owned by Methodist, but will be transferred to West Clinic with the approval of this application. The anticipated project costs are approximately \$1,500,000.00.

The anticipated date of filing the application is August 15, 2018.

The contact person for this project is Kim Harvey Looney, Esq., Attorney, who may be reached at Waller Lansden Dorich & Davis LLP, 511 Union Street, Suite 2700, Nashville, Tennessee 37219. (615) 850-8722.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Legal Notices

Legal Notices

Legal Notices

STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION SOLICITATION FOR DEMOLITION BIDS

Sealed bids for the removal of the following improvements on State Project No 48945-3622-04; PIN 106728.17, Reelfoot Lake Visitor Center, will be opened on Friday, August 31, 2018 at 11:00AM, 300 Benchmark Place, Jackson, TN., 38301.

TRACT NO.	ADDRESS	IMPROVEMENTS
1	1605 S.R. 21 E Tiptonville, TN 38079	Remove one story frame building (3,400 SF) with board and batten siding on elevated wood posts, Seed and straw all disturbed work areas.

The Tennessee Department of Transportation (TDOT) hereby notifies all bidders that it is an equal opportunity affirmative action employer, drug-free, with policies of non-discrimination on the basis of race, sex, religion, color, national or ethnic origin, age, disability, or military service and minority/disadvantaged business enterprises will be afforded full opportunity to submit bids in response to this invitation. The successful bidder will comply with the provisions of the Executive Order No. 37 concerning private enterprise transacting business with Tennessee State government in order to prevent and eliminate discriminatory practices from employment because of national origin, race, sex, or age. The successful bidder will be required to comply with all state laws and local ordinances to remove said improvements, salvage and debris, and to comply with Title VI of the Civil Rights Act of 1964 and with Title 49, Code of Federal Regulations, Part 21, Department of Transportation. The successful bidder must agree to indemnify and save the state harmless from all losses, damages, and expenses in accordance with the terms of agreement for the removal of the improvements. A certificate of insurance for liability must be furnished to the state before the successful bid can be awarded. The successful bidder shall enter into an agreement to remove said improvements to ground level by November 9th, 2018. Work must begin on or after October 6, 2018. The state reserves the right to reject any or all bids and the decision of the Property Management Office will be final. **All materials are to be properly disposed of in a permitted landfill. Payment will not be ordered until manifests/receipts from a legally permitted landfill are furnished to TDOT.**

** Evaluation proceedings will be conducted within the established guidelines regarding equal employment opportunity and nondiscriminatory action based upon the grounds of race, color, religion, national origin, sex, creed, age, and disability. Interested certified Disadvantaged Business Enterprise (DBE) firms as well as other minority and/or women-owned firms are encouraged to respond to all advertisements by TDOT. For more information on DBE certification, please contact the department's Civil Rights Division Small Business Development Program at (615) 741-3681. Details and instructions for DBE certification can be found at the following website: <https://www.tn.gov/tdot/civil-rights/small-business-development-program.html>. THE USE OF ILLEGAL IMMIGRANTS IN PERFORMANCE OF ANY CONTRACT WITH THE STATE OF TENNESSEE IS STRICTLY PROHIBITED. Bidders are asked to call Mr. Tim McIlhiney, (731)935-0201 for bid package and to schedule appointment

Driver/Transport

CLIFF VIESSMAN, IN THE \$5,000

E-logs have Regional Drivers are on Average rate per 1

Bonus Programs
•Monthly professional driver bonus
•Clean DOT Inspection Bonus
Equipment
•Average Truck is 2.5 years
•Volvo I-Shift Automatic Trans
Benefits
•Medical, Dental, Short-Term
•401K, CVI matches up to 3% contributed 6% of employee earnings
•Weekly Settlements
Lease to Own Program

**NASHVILLE CITY CENTER
511 UNION STREET, SUITE 2700
POST OFFICE BOX 198966
NASHVILLE, TENNESSEE 37219-8966**

87-1
640

Date: _____

August 15, 2018

Pay: Fifteen thousand and 00/100***** \$ ***15,000.00***

PAY TO THE ORDER OF: Health Services and Development Agency
Andrew Jackson Bldg, 9th floor
502 Deaderick Street
Nashville, TN 37243

Memo:

Katie Maple

11 243 146 11 1:0640000 171: 000 1920307 11

Payee: Health Services and Development Agency
Vendor ID: HSDA

Check #: 243146
Check Date: August 15, 2018

<u>Inv #</u>	<u>Inv Date</u>	<u>G/L Acct</u>	<u>Client</u>	<u>Matter</u>	<u>Narrative</u>	<u>Amount</u>	<u>Inv Total</u>
8-15-2018-KHL	08/15/2018		029582	85724	VENDOR: TN Health Services and Development Agenc INVOICE#: 8-15-2018-KHL DATE: 8/15/2018 West Cancer Center-Memphis CON Filing Fee	\$15,000.00	\$15,000.00
					Invoice Totals:	\$15,000.00	\$15,000.00

Lauren



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

September 1, 2018

Ms. Kim Harvey Looney, Esq.
Waller Lansden Dortch & Davis LLP
511 Union Street, Suite 2700
Nashville, TN 37219

RE: Certificate of Need Application – West Cancer Center - CN1807-037
The initiation of PET/CT services at 1588 Union Avenue, Memphis (Shelby County), TN 38104. The West Cancer Center is currently a collaboration between Methodist Le Bonheur Healthcare (Methodist), the University of Tennessee Health Science Center (UT), and the West Clinic. The PET/CT scanner subject to this application is presently used for cancer diagnosis and treatment for West Cancer Center patients. The business relationship between the three parties will end effective January 1, 2019. The applicant plans to purchase the existing PET/CT scanner from Methodist Le Bonheur Healthcare, thereby becoming the sole owner, and continuing its use as part of the West Cancer Center. The applicant is owned by West Clinic, PC. The estimated project cost is \$1,770,485.

Dear Ms. Looney,

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health, Division of Policy, Planning, and Assessment for Certificate of Need review. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 30-day review cycle for **CONSENT CALENDAR** for this project began on September 1, 2018. The first 30 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 30-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on October 24, 2018.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (2) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (3) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Melanie M. Hill" followed by a stylized monogram or initials.

Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill *MMH/MF*
Executive Director

DATE: September 1, 2018

RE: Certificate of Need Application
West Cancer Center - CN1808-037
CONSENT CALENDAR

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a **CONSENT CALENDAR** thirty (30) day review period to begin on September 1, 2018 and end on October 1, 2018.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Kim Harvey Looney, Esq.



**State of Tennessee
Health Services and Development Agency**

Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243
www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Commercial Appeal which is a newspaper
(Name of Newspaper)
of general circulation in Shelby, Tennessee, on or before August 10, 20 18
(County) (Month/Day) (Year)
for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

West Cancer Center
(Name of Applicant)

(Facility Type-Existing)

owned by: West Clinic, PC with an ownership type of professional corporation

and to be managed by: itself intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]: the initiation of PET/CT services located at 1588 Union Avenue, Memphis (Shelby County), Tennessee 38104. The applicant will initiate this service with existing major medical equipment that is already utilized by West Clinic for its patients. The equipment is currently owned by Methodist, but will be transferred to West Clinic with the approval of this application. The anticipated project costs are approximately \$1,500,000.00.

The anticipated date of filing the application is: August 15, 20 18

The contact person for this project is Kim Harvey Looney, Esq. Attorney
(Contact Name) (Title)

who may be reached at: Waller Lansden Dortch & Davis LLP 511 Union Street, Suite 2700
(Company Name) (Address)

Nashville TN 37219 615 / 850-8722
(City) (State) (Zip Code) (Area Code) / (Phone Number)

Kim H. Looney August 10, 2018 Kim.Looney@wallerlaw.com
(Signature) (Date) (Email-Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243**

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.



Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
P.O. Box 198966
Nashville, TN 37219-8966

Kim Harvey Looney
615.850.8722 direct
kim.looney@wallerlaw.com

Supplemental #1

August 29, 2018

2:17 P.M.
615.244.6804 fax
wallerlaw.com

August 29, 2018

VIA HAND DELIVERY

Phillip Earhart
HSDA Examiner
State of Tennessee
Health Services and Development Agency
Andrew Jackson Building
9th Floor
502 Deaderick
Nashville, TN 37243

Re: West Cancer Center - Memphis - CN1808-037

Dear Phillip:

This letter is submitted as the supplemental response to your letter dated June 22, 2018, wherein additional information or clarification was requested regarding the above-referenced CON application.

1. Consent Calendar Request

The letter dated August 15, 2018 requesting for the proposed project to be placed on consent calendar is noted. However, the letter references linear accelerator services at 1588 Union Avenue, Memphis. However, HSDA medical equipment records indicate there is no linear accelerator located at that site. Please clarify.

Response: The letter submitted requested that the proposed project be placed on the consent calendar, but incorrectly referenced that the project included linear accelerators. There are no linear accelerators at this site. The project only includes the initiation of PET services through a PET/CT scanner, which is also included in the letter requesting that the project be placed on the consent calendar, and is identified correctly in the application itself.

2. Section A, Project Details, Item 4.B

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

Response: West Cancer Center is a dba for the West Clinic, P.C. There are 20 physician shareholders in the West Clinic, P.C. Each owns 5% of the physician practice. Please see a list of the physician shareholders and an organizational chart included as Attachment A, Project Details, Item 4.B.

3. Section A, Project Details, Item 6.A

The lease agreement is noted. However, please clarify the relationship between West Union Partners, LLC and The West Clinic, P.C. Also, please clarify if West Union Partners will continue to hold the lease if the proposed project is approved.

Response: West Union Partners, LLC is a wholly owned subsidiary of The West Clinic, P.C. West Union Partners will continue to hold the lease if the proposed project is approved.

4. Section A, Project Details, Item 6.B (1)

The floor plan is noted. However, please provide a revised floor plan that notes the location of the PET/CT unit.

Response: Please see revised floor plan included as Attachment A, Project Details, Item 6.B(1).

5. Section A, Project Details, Item 13 (B)

It is noted the proposed PET/CT scanner will be purchased from Methodist at fair market price. However, please provide an option to purchase agreement for the PET/CT scanner.

Response: Please see an executed unwind agreement which has been redacted to show the portion of the agreement which states the intent of the parties for The West Clinic, P.C. to purchase the PET/CT from Methodist, included as Attachment A, Project Details, Item 13(B).

6. Section A, Project Details, Item 13 (F)

If the PET/CT scanner has been approved by the FDA within the last five years, please provide FDA approval documentation.

Response: Not applicable. The PET/CT was approved more than five years ago.

7. Section B. Need Item 1. (Project Specific Criteria – PET Service)

Item 1 and Item 5-It appears the applicant addressed the PET criteria in items 1 and 5 using the utilization of the PET scanner located at the West Cancer Center, 7945 Wolf River, Germantown rather than the PET/CT scanner located at 1588 Union Avenue,

Memphis, TN. Please revise responses to item 1 and item 5 and provide replacement pages 15 and 16 (labeled as 15R and 16R).

Response: Please see revised pages 15 and 16 (15R and 16R) included as Attachment Section B, Need, Item 1 (Project Specific Criteria-PET Service).

Item 6.a.- If the proposed PET unit has been approved by the FDA within the last five years please provide documentation that verifies the proposed PET unit is certified by the United States Food and Drug Administration (FDA).

Response: Not applicable. The PET/CT was approved more than five years ago.

Item 6.b.- Please provide documentation that the proposed PET procedures will be offered in a physical environment that conforms to applicable federal standards, manufacturer's specification, and licensing agencies' requirements.

Response: Please see documentation included as Attachment B, Need, Item 1-6.b (Project Specific Criteria - PET Service).

Item 6.d. – Please provide documentation for the following:

- Documentation from the current PET equipment owner that current protocols that assures that all clinical PET procedures performed are medically necessary and will not unnecessarily duplicate other services will be transferred to the applicant.

Response: Please see policies for the West Cancer Center included as Attachment B, Need, Item 1-6.d (Project Specific Criteria - PET Service). The applicant will continue to adhere to these policies after the ownership is changed.

- Clinical supervision and interpretation services will be provided by physicians who are licensed to practice medicine in the state of Tennessee and are board certified in Nuclear Medicine or Diagnostic Radiology.

Response: West Clinic has three employed radiologists who will perform these clinical supervision and interpretation services. The three physicians are Dr. Daniel Knight Powell, Dr. Scott Leslie Baum and Dr. William Alexander Lankford. A copy of the certification paperwork for each from the American Board of Radiology and their CVs is included as Attachment B, Need, Item 1-6.d (Project Specific Criteria-PET Service).

- Physicians that will provide interpretation serves has documented experience and training, credentialing, and/or board certification in the appropriate specialty and in the use and interpretation of PET procedures.

Response: Please see response above and Attachment B, Need, Item 1-6.d (Project Specific Criteria-PET Service), for information on Drs. Lankford, Baum and Powell.

Item 8.b.-Please provide documentation that the service area population experiences a prevalence, incidence and/or mortality from cancer, heart disease, neurological impairment or other clinical conditions applicable to PET unit services that is substantial higher than the State of Tennessee average.

Response: The PET/CT services provided by the applicant are for cancer conditions only. Please see table included as Attachment B, Need, Item 1-8.b (Project Specific Criteria-PET Service), for data on several cancer conditions by site in Tennessee, the Southwest Region of Tennessee and Shelby County. In general, Shelby County has a lower incidence and a higher mortality for cancer for all sites. The table also shows that Shelby County has a higher incidence and mortality for female breast and prostate cancers than either the Southwest Region or the State of Tennessee.

8. Section B, Need, Item C (Service Area)

There appears to be a calculation error in the Projected Utilization total on page 21. Please correct and submit a replacement page 21 (labeled as 21R).

Response: Please see revised page 21 included as Attachment B, Need, Item C (Service Area).

9. Section B, Need, Item C.1 (Demographics)

What is the target population of the proposed project?

Response: The target population is the adult population 18 and older. For purposes of the information included in the application, because of the way the population cohorts are defined, the target population is the adult population 20 and older, which would slightly underestimate the target population.

10. Section B, Need, Item F

Provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

Response: The PET/CT is an existing scanner. It is located in the midtown area of Memphis which typically has a higher minority population as well as a greater percentage of TennCare patients. Although it is not fully utilized, the applicant feels strongly that this is a service that is necessary to be provided in this location, where

transportation can sometimes be problematic and public transportation is extremely important. The applicant has anticipated that it will continue to provide essentially the same number of PET/CT scans in its first year of operation as it expects to provide in 2018.

It is noted in 2016 the proposed PET/CT scanner provided 962 scans. However, please clarify the reason there has been a decline in PET scans from 961 in 2016 to 714 (annualized) in 2018.

Response: The applicant is unsure why there has been a decline in the number of PET scans between 2016 and 2018, but does not expect that decline to continue.

11. Section B, Economic Feasibility Item B

Please provide a letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions.

Response: Please see letter from SunTrust Bank included as Attachment B, Economic Feasibility, Item B.

12. Section B, Economic Feasibility, Item D. (Projected Data Chart)

The Projected Data Chart for PET/CT scanner is noted. However, please submit revised Projected Data Charts by revising rows D.1.a and D.1.b. in each chart to reflect direct patient care and non-patient care totals and remove the total from line D.1.

Response: Please see revised Projected Data Chart included as Attachment B, Economic Feasibility, Item D, Projected Data Chart.

In each Projected Data Chart Line D.9 "Other Expenses" appears to be missing the related costs for FDG. Please clarify.

Response: The costs for FDG are included in the costs for supplies.

Please also identify the distance to the closest cyclotron source.

Response: The closet cyclotron source is 1388 Madison Avenue, Memphis, Tennessee 38104, which is approximately 0.7 miles from the Applicant (source: Google Maps).

What are the arrangements for professional fees related to imaging interpretation services by radiologists? Are these reflected in the Projected Data Chart for the PET service?

Response: The radiologists are employed by West Clinic and the fees related to imaging/interpretation services are included in the Projected Data Chart under Physician's Salaries and Wages.

13. Section B, Economic Feasibility, Item E.1 (Average Gross Charge, Average Deduction from Operating Revenue, and Average Net Charge) and E.2 (Proposed Charges) and E.3

It is noted the applicant did not provide a Historical Data Chart. If so, please clarify how the applicant calculated the gross charge, deduction from Revenue, and average net charges for the PET/CT?

Response: The applicant does not currently own the equipment. However, as it is the group of physicians who operate the equipment, it was able to identify the gross charge, deduction from revenue and average net charge for the PET/CT.

The PET/CT chart on page 34 is noted. However, the Year 1 and Year 2 gross charge and deduction from revenue appears to be incorrect. Please correct and provide a replacement page 34 (labeled as 34R).

Response: Please see revised page 34 (34R) included as Attachment B, Economic Feasibility, Item E.1 (Average Gross Charge, Average Deduction from Operating Revenue, and Average Net Charge) and E.2 (Proposed Charges) and E.3.

It is noted upon the approval of this project and the implementation of the services as a physician office POS, the average net charge is expected to be approximately 19% less for PET/CT services. For clarification purposes, what is the current charges under current ownership and proposed charges after the ownership change for the PET/CT service?

Response: Please see page 34R which has the charts which identify the gross charge, the deduction from revenue, and the average net charge for the PET/CT for year one and year two after the initiation of services. As is shown on the chart, the average net charge for the PET/CT is approximately 20% less.

Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response: Please see information below for a comparison of charges for CPT codes for the linear accelerator and PET/CT services compared to the Medicare allowable fee schedule.

PET/CT		
CPT Code	Medicare Allowable (Tech)	Charge
78815	\$1,240.85	\$10,978.00

14. Section B., Economic Feasibility, Item F. (1), F.2., and F.3

Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as **Attachment Section B-Economic Feasibility-F1**. **NOTE: Publicly held entities only need to reference their SEC filings.**

Response: Please see current balance sheet and income statement included as Attachment B, Economic Feasibility, Item F, (1).

The Net Margin Operating Ratio appears incorrect. Please recalculate the net margin operating ratio for Year One and Year Two of the proposed project.

Response: Please see revised page 35 (35R) included as Attachment B., Economic Feasibility, Item F.3.

Please calculate the capitalization ratio for the entity (applicant and/or parent company) that is funding the proposed project using the most recent year available from the funding entity's audited balance sheet, if applicable.

Response: The applicant does not have an audited balance sheet so is unable to perform this calculation.

15. Section B, Orderly Development, Item A.

List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

Response: The applicant contracts with literally hundreds of payers or payer plans. Some of the major payers include CIGNA, Aetna, BCBS, Humana, United Healthcare, Coventry Health Care, Assurant, First Health and Liberty Mutual. In the unlikely event of an emergency, the applicant plans to have a transfer agreement with Methodist LeBonheur.

16. Section B, Orderly Development, Item D.

It is noted the applicant is accredited by ACR. Please provide documentation of accreditation.

Response: The American College of Radiology provides accreditation for imaging services and has been recognized as the gold standard in medical imaging. Since 1987, the ACR has accredited more than 38,000 facilities in 10 imaging modalities.

ACR Accreditation helps assure patients that a facility provides the highest level of image quality and safety by documenting that the facility meets requirements for equipment, medical personnel and quality assurance.

A copy of the ACR accreditation certificate is included as Attachment B, Orderly Development, Item D.

17. Section B, Quality Measures

Please verify and acknowledge the applicant will be evaluated annually whether the proposal will provide health care that meets appropriate quality standards upon the following factors:

Response: In addition to satisfying the quality standards identified below, the applicant is in the process of discussing a collaborative effort to provide cancer care with prominent oncology groups in Tennessee and New York, as well as partners in technology and finance. The applicants feels that if this happens it will allow the practices to achieve certain synergies of scale and to collaborate on best practices as well as measurement of certain metrics. The venture will be a physician-driven, patient-centric, and technology-powered model aiming to transform cancer care delivery in America. The formation of this venture would not affect the ownership of The West Clinic and The West Cancer Center, but could possibly include the provision of management services to the West Clinic. The discussions are in the preliminary stages.

(3) Quality. Whether the proposal will provide health care that meets appropriate quality standards may be evaluated upon the following factors:

(a) Whether the applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application;

Response: The applicant commits to providing staffing comparable to that included in the staffing chart in the CON application provided the utilization is also comparable to that provided in the application.

(b) Whether the applicant will obtain and maintain all applicable state licenses in

good standing;

Response: The applicant will obtain and maintain any and all applicable state licenses in good standing.

(c) Whether the applicant will obtain and maintain TennCare and Medicare certification(s), if participation in such programs was indicated in the application;

Response: The applicant will continue to be a TennCare and Medicare provider.

(d) Whether an existing healthcare institution applying for a CON has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action shall be considered;

Response: Not applicable. The applicant is not an existing healthcare institution.

(e) Whether an existing health care institution applying for a CON has been decertified within the prior three years. This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility;

Response: Not applicable. The applicant is not an existing healthcare institution.

(f) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external assessment against nationally available benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve.

1. This may include accreditation by any organization approved by Centers for Medicare and Medicaid Services (CMS) and other nationally recognized programs. The Joint Commission or its successor, for example, would be acceptable if applicable. Other acceptable accrediting organizations may include, but are not limited to, the following:

(iv) American Society of Therapeutic Radiation and Oncology (ASTRO), the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO), National Cancer Institute (NCI), or a similar accrediting authority, for Megavoltage Radiation Therapy projects;

(m) For Megavoltage Radiation Therapy projects, whether the applicant has demonstrated that it will meet the staffing and quality assurance requirements of the American Society of Therapeutic Radiation and Oncology (ASTRO), the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO), National Cancer Institute (NCI), or a similar accrediting authority.

(v) American College of Radiology, for Positron Emission Tomography, Magnetic Resonance Imaging and Outpatient Diagnostic Center projects;

Response: The applicant anticipates continuing to be certified by the American College of Radiology and will meet its staffing and quality assurance requirements.

If you have any questions please contact me at Kim.Looney@wallerlaw.com or by telephone at 615-850-8722.

Sincerely,



Kim Harvey Looney

KHL:lag

Attachment A, Project Details, Item 4.B

Physician Shareholders

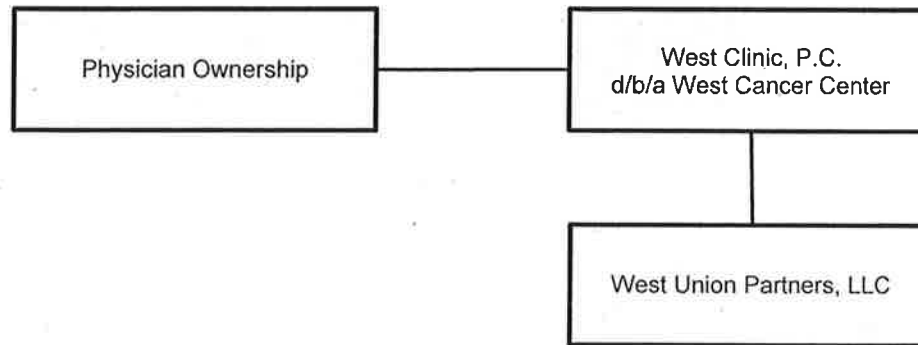
Organizational Chart

Shareholders with 5% or More Ownership & Managing Employees
08-21-2018

Employee Name	Job Title
Baum, Scott L.	Radiologist
Benn, Sonia	Oncologist
Besh, Stephen A.	Oncologist
Chandler, Jason C.	Oncologist
Fenton, Moon	Oncologist
Martin, Michael G.	Oncologist
Pallera, Arnel M.	Oncologist
Portnoy, David	Oncologist
Powell, Daniel	Radiologist
Reed, Jarvis D.	Oncologist
Reed, Mark E.	Gyn Oncologist
Richey, Sylvia S.	Oncologist
Schwartzberg, Lee	Oncologist
Smiley, Linda M.	Gyn Oncologist
Somer, Bradley G.	Oncologist
Tauer, Kurt W.	Oncologist
Tian, Gang	Oncologist
Tillmanns, Todd	Gyn Oncologist
Vidal, Gregory A.	Oncologist
Wheeler III, Benton M.	Oncologist

WEST CLINIC, P.C.

ORGANIZATIONAL CHART



Attachment A, Project Details, Item 6-B.2

Revised Floor Plan

GENERAL PLAN NOTES:

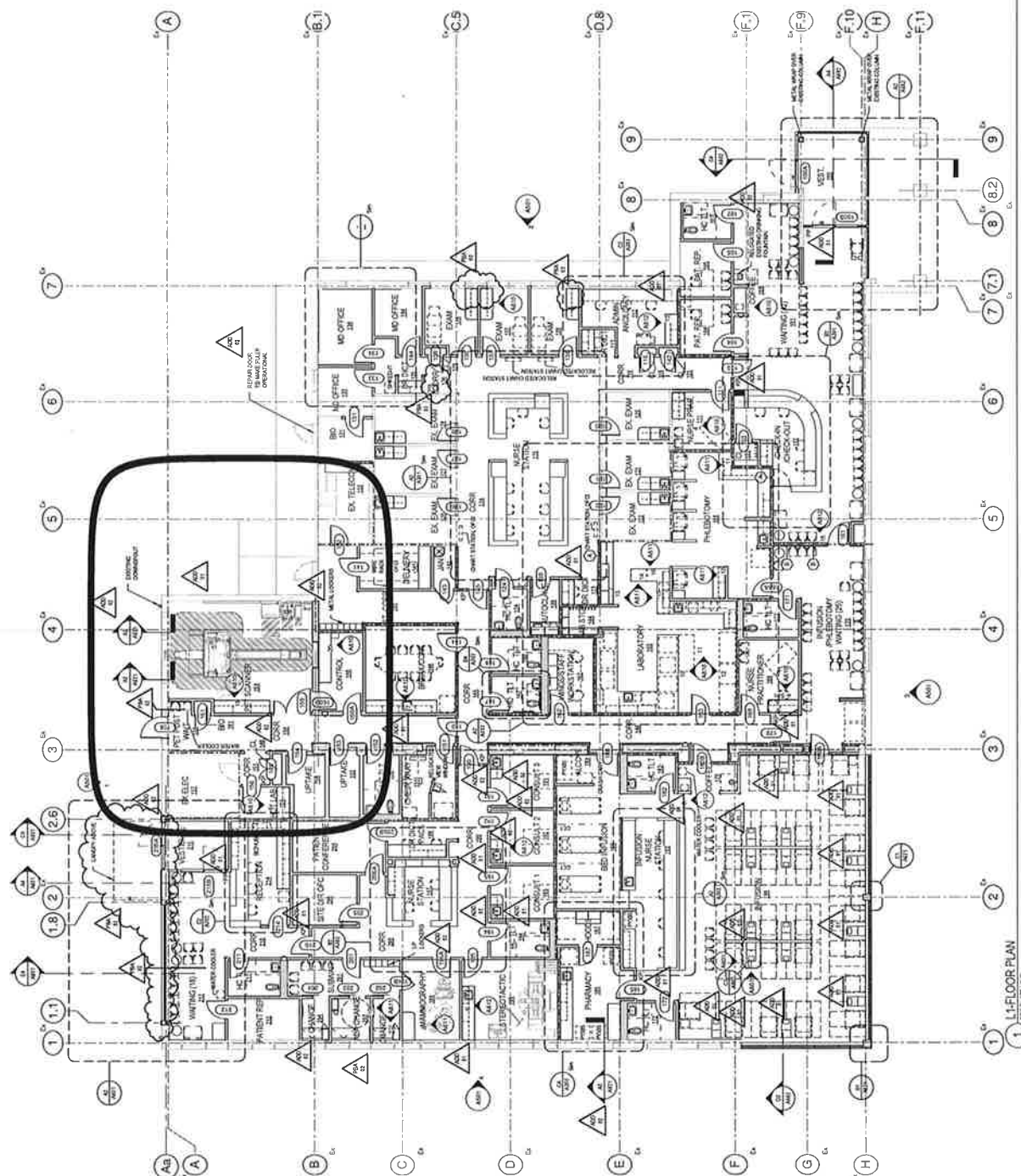
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RATED PARTITIONS LEGEND:

- ACID**

REFERENCE SYMBOLS:

- [illegible]



1 L1-FLOOR PLAN

Attachment A, Project Details, Item 13(B)

Redacted Unwind Agreement

UNWIND AGREEMENT

THIS UNWIND AGREEMENT (this "*Agreement*") is made and entered into, as of January 1, 2012 (the "*Effective Date*"), by and between Methodist Le Bonheur Healthcare, a Tennessee nonprofit hospital corporation ("*MLH*"), and West Clinic, PC, a Tennessee professional corporation ("*Practice*"). MLH and Practice are sometimes collectively referred to in this Agreement as the "parties" or, individually, as a "party."

RECITALS

B. All of the agreements listed in the preceding recital (the "*Affiliation Agreements*") are part of an integrated transaction and the parties desire to have a mechanism for an orderly transition and unwind process upon the termination of such agreements.

C. This Agreement describes (i) the process for Practice to acquire all of the assets and assume all of the related liabilities of the Cancer Center Sites (as defined below), which, as of the Effective Date, will be operated as provider-based locations of the MHMH Hospitals (as defined in the Professional Services Agreement), and (ii) the assistance to be provided by MLH in connection with transitioning the Cancer Center Sites to Practice as described below. MLH and Practice desire to undertake the unwind process described in this Agreement in a manner that does not disrupt patient care.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth, the parties hereto agree as follows:

I. TRANSACTION

1.1 **Intent of the Parties.** The parties intend that, upon an Unwind Event (as defined below), Practice will re-establish a private practice of medicine at any or all of the following locations: 100 Humphreys Blvd., Memphis, Tennessee, 1588 Union Avenue, Memphis Tennessee, 7668 South Airways Blvd., Southaven, Mississippi, 1500 West Poplar Avenue, Suite #304, Collierville, Tennessee and 240 Grandview Drive, Brighton, Tennessee (collectively, the "*Cancer Center Sites*").

1.2 **Unwind Events.** Except as otherwise provided herein, each of the following shall each be considered an "Unwind Event" and, together, shall be considered "Unwind Events": (i)

1.3 Obligations and Rights upon Unwind Events. Unless otherwise agreed to by the parties, if an Unwind Event results in termination of the Affiliation Agreements, (i) Practice shall acquire all of the assets and assume all of the related liabilities of the Cancer Center Sites, (ii)

r

1.3.1 As of the Unwind Date, Practice shall purchase or repurchase from MLH or its affiliate(s) the furniture, fixtures and equipment used at the Cancer Center Sites on the Unwind Date, including any linear accelerator then located at any Cancer Center Site. All transactions will be subject to applicable laws and regulations, including certificate of need laws. The parties agree to support any efforts to obtain governmental approval of such transactions. The purchase price for such assets will be determined pursuant to an appraisal performed by a qualified, mutually agreed independent appraiser in advance of the Unwind Date;

each Site at which any Practice physician practiced medicine on twelve (12) or more days during the twelve (12) months prior to termination.

2.2 Term. The term of this Agreement shall commence on January 1, 2012 and continue through December 31, 2018 and shall be automatically extended and renewed so that it remains co-terminus with any extension or renewal of the Professional Services Agreement (the "*Term*").

2.3 Fair Market Value Exchange. The amounts to be paid hereunder represent the fair market value of the items and services obtained under this Agreement as established by arms-length negotiations by the parties and through an independent valuation. Such amounts have not been determined in any manner that takes into account the volume or value of any actual or potential referrals between the parties. No amount paid hereunder is intended to be, nor shall it be construed to be, an inducement or payment for referral of patients by any party to any other party, or for the purchase, order or lease, or arranging for or recommending the purchase, order or lease, of any item or service covered by a governmental or private health care payment plan. In addition, the amounts charged hereunder do not include any discount, rebate, kickback or other reduction in charges, and the amount charged is not intended to be, nor shall it be construed to be, an inducement or payment for referral of patients by any party to any other party, or for the purchase, order or lease, or arranging for or recommending the purchase, order or lease, of any item or service covered by a governmental or private health care payment plan.

2.4 Invalidity or Unenforceability of Particular Provisions. It is the intent of the parties that the terms of this Agreement be in compliance with applicable laws, statutes, rules and regulations, including, without limitation, Medicare and Medicaid provisions and provisions of the Tennessee Code. If either party determines, in good faith, based on legal opinion of nationally recognized health law counsel, or receives general or specific notice from a governmental agency that this Agreement or any part hereof: (i) violates or fails to comply with any state or federal law, regulation, rule, or administrative policy or would result in Stark law restrictions on referrals to the Methodist Hospitals, Practice or any of their affiliates; (ii) jeopardizes such party's (or any of its affiliates') participation in any federal or state health care program; (iii) jeopardizes the tax-exempt status of MLH, the Methodist Hospitals or any of their affiliates or the tax-exempt status of any bonds issued on its/their behalf; (iv) exposes any organization manager or disqualified person of MLH, the Methodist Hospitals or any their affiliates to intermediate sanctions by the Internal Revenue Service or results in private inurement or private benefit; or (v) exposes any person or party or its affiliates to any other sanctions by any other regulatory agency, such party shall notify the other party in writing of its determination and provide the other party with a copy of the legal opinion obtained, if any. The parties shall then, (x) negotiate those modifications reasonably determined to be necessary to comply with a change of law other event described in this Section 2.2; or (y) if the parties are unable to negotiate a modification within thirty (30) days of delivery of the notice, then this Agreement shall automatically terminate.

2.5 Notices. Except as provided otherwise in this Agreement, any and all notices necessary or desirable to be served hereunder shall be in writing and shall be delivered personally, sent by certified mail or overnight delivery service to the intended recipient at the address for such intended recipient set forth below, or sent by facsimile to the fax number for

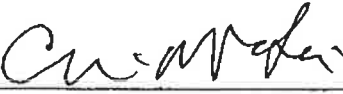
August 29, 2018

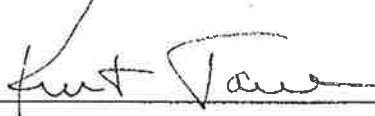
2:17 P.M.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

**METHODIST LE BONHEUR
HEALTHCARE**

WEST CLINIC, PC

By: 

By: 

Its: CFD

Its: _____

August 29, 2018

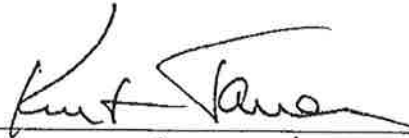
2:17 P.M.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

**METHODIST LE BONHEUR
HEALTHCARE**

WEST CLINIC, PC

By: _____

By: 

Its: _____

Its: Vice President

Attachment B, Need, Item 1 and Item 5

Revised Pages 15 and 16

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper, single-sided or double sided. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate "Not Applicable (NA)."***

QUESTIONS**SECTION B: NEED**

- A. Provide a response to each criterion and standard in Certificate of Need Categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the Tennessee Health Services and Development Agency or found on the Agency's website at <http://www.tn.gov/hsda/article/hsda-criteria-and-standards>.

POSITRON EMISSION TOMOGRAPHY SERVICES

- Applicants proposing a new stationary PET unit should project a minimum of at least 1,000 PET procedures in the first year of service, building to a minimum of 1,600 procedures per year by the second year of service and for every year thereafter. Providers proposing a mobile PET unit should project a minimum of at least 133 mobile PET procedures in the first year of service per day of operation per week, building to an annual minimum of 320 procedures per day of operation per week by the second year of service and for every year thereafter. The minimum number of procedures for a mobile PET unit should not exceed a total of 1600 procedures per year if the unit is operated more than five (5) days per week. The application for mobile and stationary units should include projections of demographic patterns, including analysis of applicable population-based health status factors and estimated utilization by patient clinical diagnoses category (ICD-9).

For units with a combined utility, e.g., PET/CT units, only scans involving the PET function will count towards the minimum number of procedures.

Response: PET procedure volume parameters are not applicable to PET/CT technology. Applicant's PET/CT equipment is not deployed separately to provide PET procedures. Nonetheless, Applicant's stationary PET/CT volumes for 2016, as reported on the HSDA equipment registry, were 962, which is less than the 1,600 procedures per year standard. The applicant anticipates that the number of procedures for 2019, the first year of operation by The West Clinic, P.C., will be 721. The applicant is basing this projection on the current number of procedures performed, which has decreased in the past couple of years. Although this scanner is

not providing the minimum number of procedures, it should be noted that the West Cancer Center operates this scanner as well as the one in Germantown. The combined utilization of these 2 scanners in 2016, at 2,719, is more than can be performed on one scanner, and is 170% of the standard of 1,600. The applicant feels that the location of the scanner on Union provides significant benefits to a patient population that is in need of these services. The midtown area of Memphis typically has a higher minority population as well as a greater percentage of TennCare patients. Although it is not fully utilized, the applicant feels strongly that this is a service that is necessary to provide in this location, where transportation can be problematic and public transportation is extremely important. This patient population served on Union might have difficulty in reaching the location in Germantown, and even if they were able to do so, it would increase their travel time significantly.

2. All providers applying for a proposed new PET unit should document that the proposed location is accessible to approximately 75% of the service area's population. Applications that include non-Tennessee counties in their proposed service areas should provide evidence of the number of existing PET units that service the non-Tennessee counties and the impact on PET unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity.

Response: Not applicable. The PET/CT units are already in existence.

3. All providers should document that alternate shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

Response: Not applicable. The equipment is in use and the services are already being provided to the patients of the West Clinic.

4. Any provider proposing a new mobile PET unit should demonstrate that it offers or has established referral agreements with providers that offer as a minimum, cancer treatment services, including radiation, medical and surgical oncology services.

Response: Not applicable.

5. A need likely exists for one additional stationary PET unit in a service area when the combined average utilization of existing PET service providers is at or above 80% of the total capacity of 2,000 procedures during the most recent twelve-month period reflected in the provider medical equipment report maintained by the USDA. The total capacity per PET unit is based upon the following formula:

Stationary Units: Eight (8) procedures/day x 250 days/year = 2,000 procedures/year

Mobile Units: Eight (8) procedures /day x 50 days/year= 400 procedures/year

The provider should demonstrate that its acquisition of an additional stationary or mobile PET unit in the service area has the means to perform at least 1,000 stationary PET procedures or 133 mobile PET procedures per day of operation per week in the first full one-year period of service operations, and at least 1,600 stationary PET procedures or 320 mobile PET procedures per day of operation per week for every year thereafter.

Response: The PET/CT units are already in use. The number of procedures performed for 2016 was 962, according to the HSDA Equipment Registry.

Attachment A, Project Details, Item 13(F)

Documentation for Physical Environment

August 29, 2018

2:17 P.M.

November 11, 2011

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Mr. Dave Rosenbaum
Methodist Healthcare
4735 Spottswood Avenue
Memphis, TN 38117

RE: VERIFICATION OF CONSTRUCTION COST ESTIMATE –
PET SCANNER – MUH/WEST CLINIC, MEMPHIS, TENNESSEE

Dear Mr. Rosenbaum:

We have reviewed the construction cost estimates and descriptions for the project in the CON packet and compared them to typical construction costs we have experienced in the Mid South region for healthcare construction.

It is brg3s's opinion, that in today's dollar the projected \$889,050 construction budget is consistent with the cost value for this type of construction and similar projects in this market. The budget includes \$740,875 thousand for construction, \$74,088 for design budget and \$74,088 for contingency. While specific finish choices and market conditions can greatly affect the cost of any project, the costs assumed in the estimate appear adequate for mid range finishes used in a healthcare environment for the scope of work at the MUH / West Clinic.

In providing opinions of probable construction cost, the Client understands the Consultant has no control over the cost or availability of labor, equipment or material, or over market conditions or the Contractor's method of pricing and that the Consultant's opinions of probable construction costs are made on the basis of the Consultants professional judgment and experience. The consultant makes no warranty, express or implied, that the bids or the negotiated cost of the work will not vary from the Consultant's opinion of probable construction cost.

This facility will be designed in accordance with all applicable codes, regulations and guidelines required and in accordance with the equipment manufacturer's specifications at the proposed location of the PET Scanner at West Clinic, Union Avenue, Memphis, TN.

Please do not hesitate to contact us if you require any additional information.

Sincerely,

brg3s



Jon R. Summers, AIA
Principal

119 S. Main Street Suite 200
Memphis, Tennessee 38103
t 901.260.9600
f 901.521.1337
w brg3s.com

brg3s



PET/CT Survey
West Clinic Midtown
1588 Union Avenue
Memphis, TN 38104
PETAP: 50631
CTAP: 03658 (separate done 11/3/2016)
Date: 9/18/17
PET/CT: Siemens Biograph mCT 20,11039

CT QC

Daily: Check up and Calibration (air cal)
Uniformity Image
CT number water
Standard deviation
Tube voltages
GIVES PASS/FAIL

Quarterly: Audit of Q.C.

Semi annually: Daily Q.C.
Lasers and positioning
Slice thickness
MTF

For CT accreditation at least annually: ACR phantom
CTDI check
Radiation beam widths

PET QC

Daily: Normalization
Verification PET calibration (SUV)
Sinogram inspection
Partial PET detector factor setup
GIVES PASS/FAIL

Quarterly: Audit of Q.C.

Semi-annually: Daily Q.C.
Full detector setup and time alignment

At least annually: ACR phantom

PACS

Monthly: GSDF auto check
SMTPE pattern check

Semi-annually: Auto calibration

The following is done for dose calibrator by radiopharmacy, except daily.

DOSE CALIBRATOR

Initially: Geometry
Linearity
Accuracy

Daily: Constancy
Channel check

Quarterly: Linearity

Annually: Accuracy

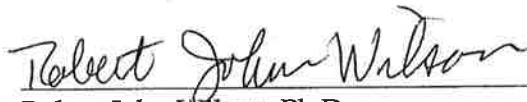
PHANTOM RESULTS:

OSEM 3D+TOF, 3 iterations, 21 subsets, Gaussian filter, 5mm FWHM, 1cm slice thickness

See attached page for quantitative results.

comments: *as noted on the quantitative results page for the phantom the background was within <1% of limit and in my professional opinion is acceptable given the prepared doses were made to within 10% of targets, and cylinder contrasts were within acceptable limits.

If you have any questions, call me at work (901) 448-4274, FAX (901) 448-5352 or home/office (901) 682-7247.


Robert John Wilson, Ph.D.
Medical Physicist, FACR (Radiological Physics)
217 Fleur de Lis Cove
Memphis, TN 38117

9/18/17 West Clinic

(Union Ave.)10mm slices

Patient dose: 12 mCi/444MBq time start: 13:22

Time scan: 14:22

PET/CT model Siemens Biograph 20_mCT

A) Contrast	Hot 8mm vial	Hot 12mm vial	Hot 16mm vial	Hot 25mm vial
max SUV	1.698	2.1	2.236	2.325

B) Scatter/Attenuation	Background	Bone	Air	Water
mean SUV	1.16	0.128	0.259	0.174
min SUV	0.931	0.047	0.148	0.084

C) Ratio Calculations (using daa from above)	8mm/bkgd	12mm/bkgd	16mm/bkgd	25mm/bkgd
	1.46	1.81	1.93	2.00

max vial SUV to max 25 mm vial	8mm/25mm	12mm/25mm	16mm/25mm
	0.73	0.90	0.96

min air or water to min bone	air/bone	water/bone
	3.15	1.79

Mean Bkg 0.85-1.15 1.16 FAIL (PASS physicists judgement*)

25mm cylinder $1.8 < x < 2.8$ 2.325 PASS

16/25 ratio > 0.7 1.93 PASS

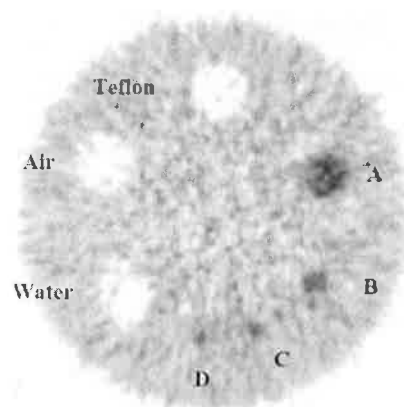
Uniformity PASS

minimum rod 4.8, 6.4, 7.9, **9.5**, 11.1, 12.7 7.9 mm PASS

minimum cylinder 8, **12**, 16, 25 8 mm PASS

A/test 1 used for cylinders and B/test2 used for bkg

dose A 10:08	bkg	ratio
	0.445	0.0015
dose B 10:10		B/A
	1.063	0.002 2.39
test 1 (10:34)	23.8	
test 2 (10:33)	9.42	"1/2" 2.53



Supplemental #1

August 29, 2018

2:17 P.M.

Image size: 200 x 200

View size: 1329 x 758

WL: 1,5493 WW: 3,0986

From: 0 % (0,00) to: 116 % (3,10)

17,09,18-14:08:22-Std-Specials Polytraum 17,09,18-14:08:22-STD 1-7,12,2,1107,5,1,4,11039 (158 y, 158 y) / 17,09,18-14:08:22-Std-Specials Polytraum

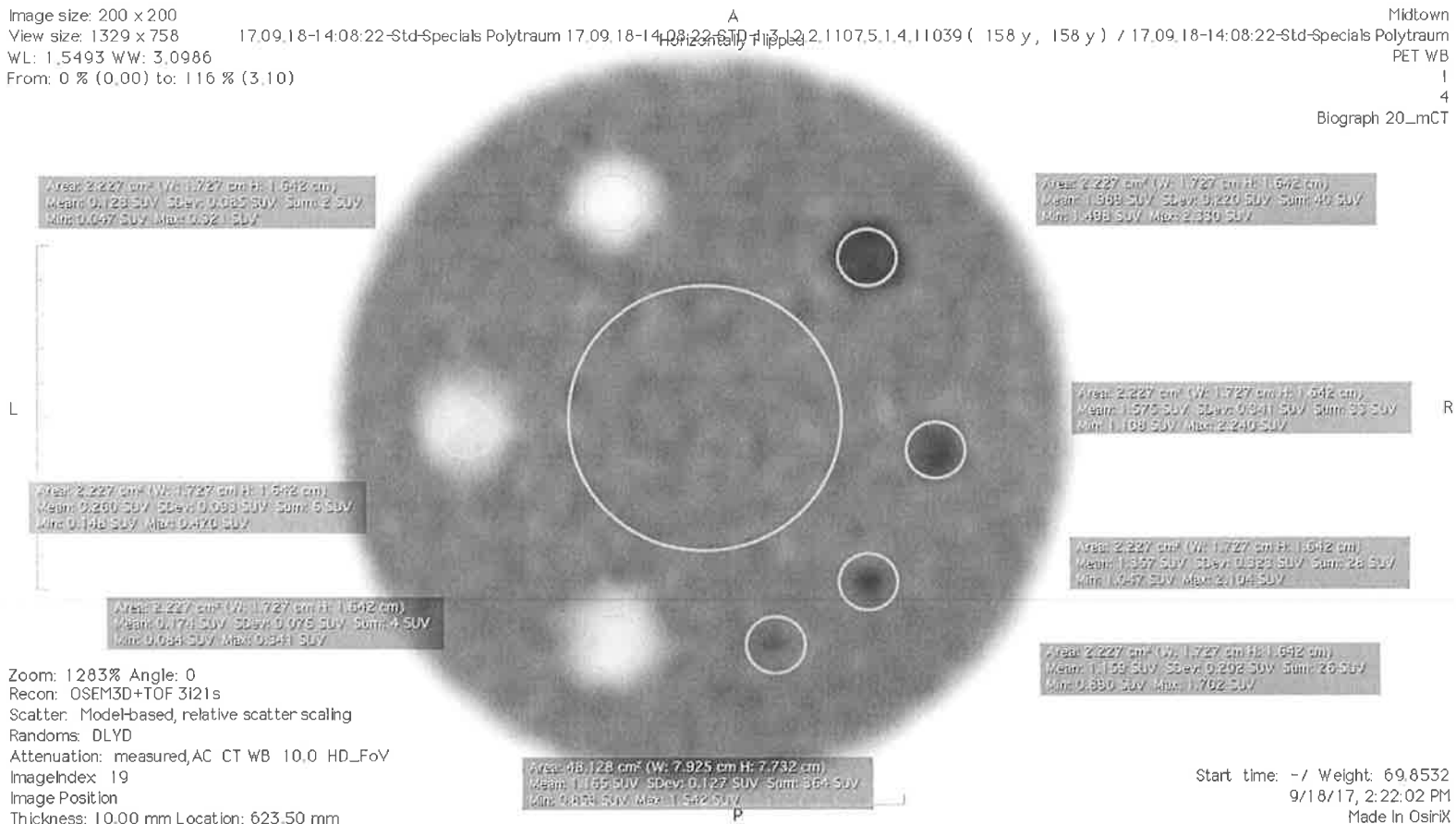
Midtown

PET WB

I

4

Biograph 20_mCT



Supplemental #1

August 29, 2018

2:17 P.M.

Image size: 200 x 200

View size: 1329 x 758

WL: 1.5493 WW: 3.0986

From: 0 % (0.00) to: 116 % (3.10)

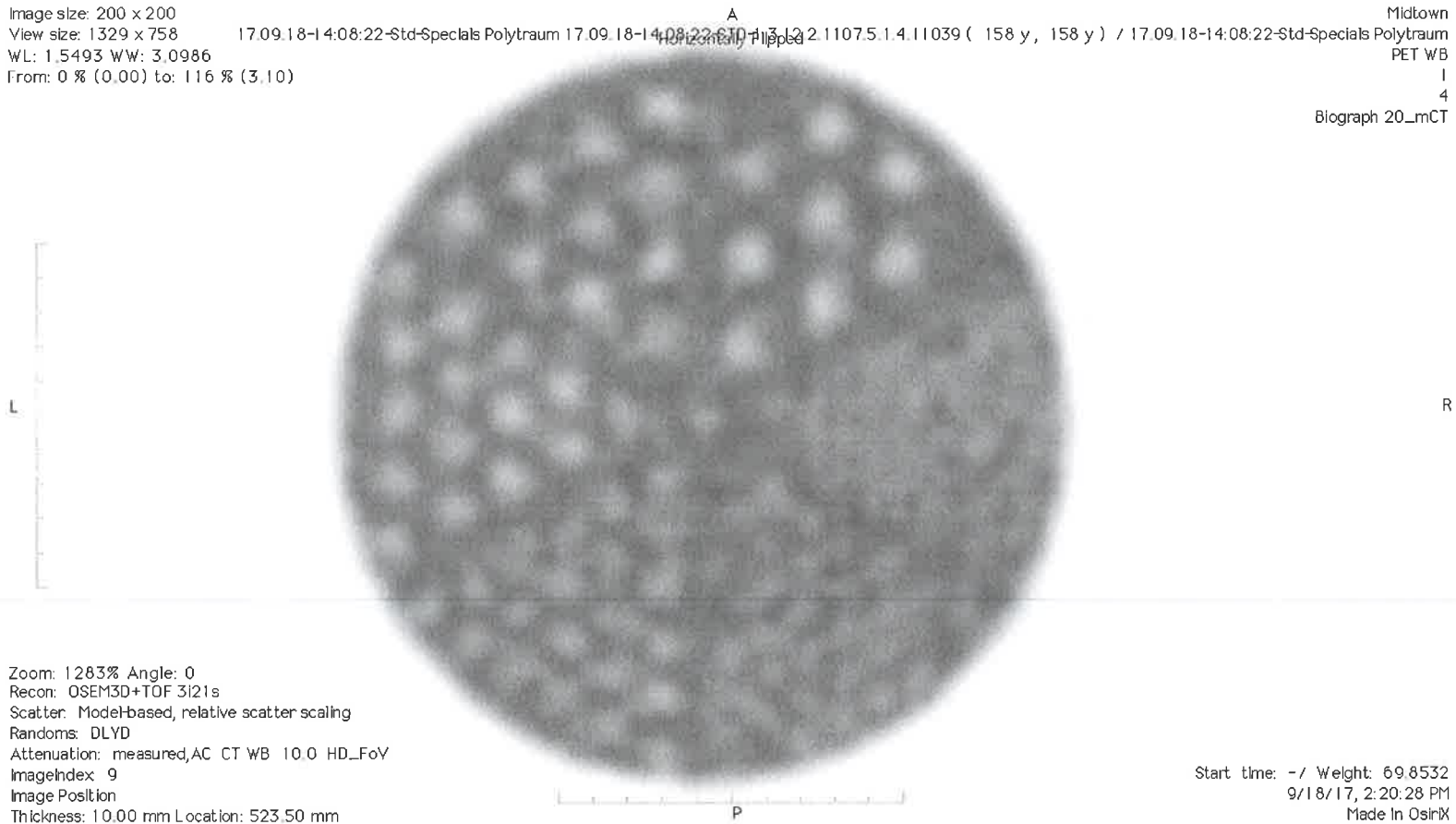
17.09.18-14:08:22-Std-Specials Polytraum 17.09.18-14:08:22-STD-1-3-12-2-11075.1-4.11039 (158 y, 158 y) / 17.09.18-14:08:22-Std-Specials Polytraum

PET WB

I

4

Biograph 20_mCT



Zoom: 1283% Angle: 0

Recon: OSEM3D+TOF 3i21s

Scatter: Model-based, relative scatter scaling

Randoms: DLYD

Attenuation: measured,AC CT WB 10.0 HD_FoV

ImageIndex 9

Image Position

Thickness: 10.00 mm Location: 523.50 mm

Start time: - / Weight: 69.8532

9/18/17, 2:20:28 PM

Made In Osirix

Supplemental #1

August 29, 2018

2:17 P.M.

Image size: 200 x 200

View size: 1329 x 758

WL: 6826 WW: 13652

From: 0 % (0.00) to: 116 % (13652.71)

17.09.18-14:08:22-Std-Specials Polytraum 17.09.18-14:08:22-STD-1-3-12-2-11075.1.4.11039 (158 y, 158 y) / 17.09.18-14:08:22-Std-Specials Polytraum

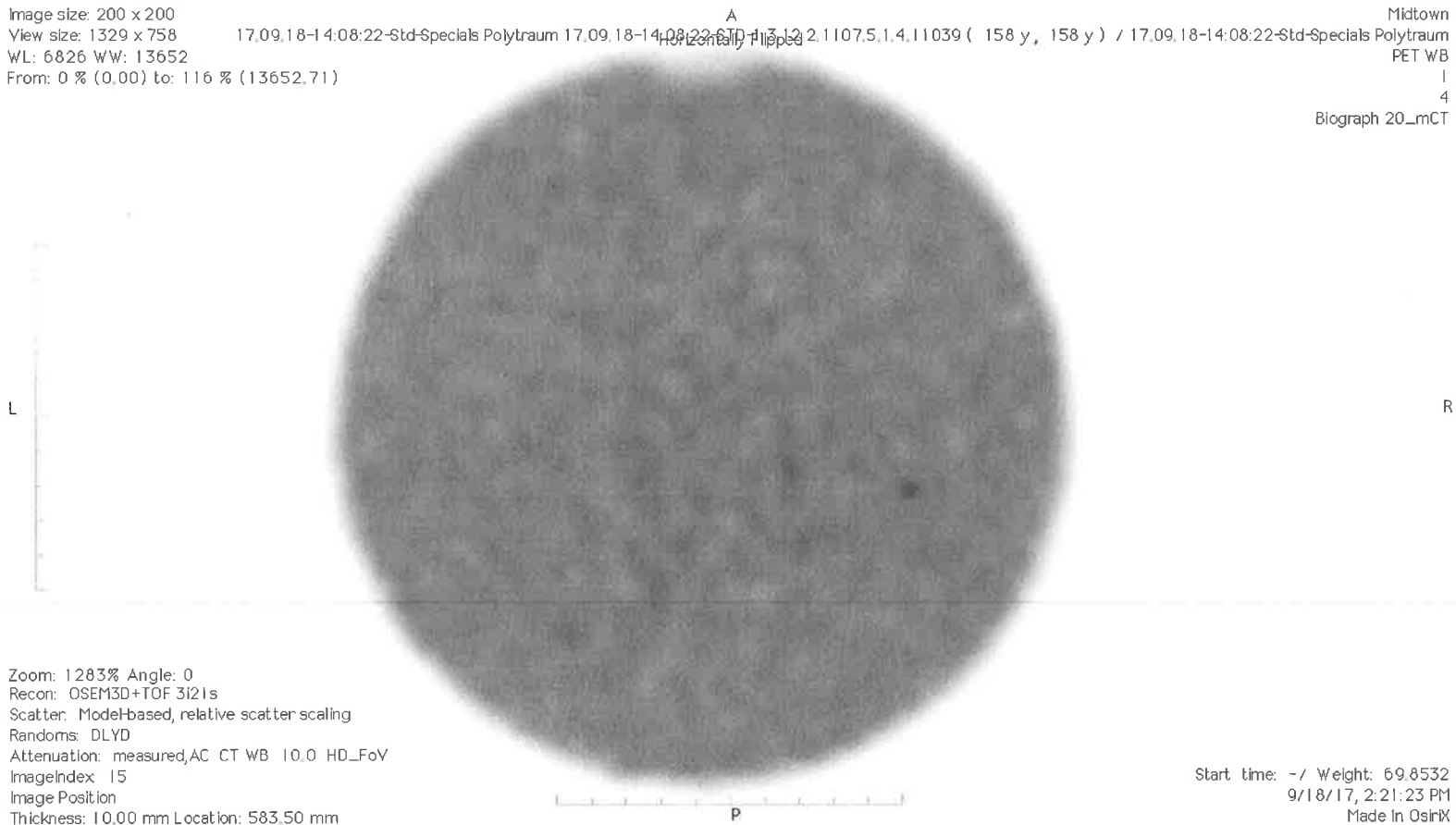
Midtown

PET WB

I

4

Biograph 20_mCT



Zoom: 1283% Angle: 0

Recon: OSEM3D+TOF 3i21s

Scatter: ModeHbased, relative scatter scaling

Randoms: DLYD

Attenuation: measured,AC CT WB 10.0 HD_FoV

ImageIndex: 15

Image Position

Thickness: 10.00 mm Location: 583.50 mm

Start time: - / Weight: 69.8532

9/18/17, 2:21:23 PM

Made In Osirix

**Attachment B, Need, Item 1, 6(d)
(Project Specific Criteria-PET Service)**

PET Policies

WEST CANCER CENTER

Created: January, 2016

Reviewed: January 2017

Authorized: Hartwell Strain, Radiology Director, 1-21-17

POLICY ON: *Radiologist Peer Review Program*

In an effort to improve organizational-wide quality, reduce errors and promote a culture of safety, the Department of Radiology at West Cancer Center participates in an alternative radiologist peer review program. The peer review program consists of:

- A. The imaging study will be interpreted by 2 MDs.
- B. Each reading radiologist is expected to peer review at least 10 cases per month.
- C. Cases reviewed should be representative of the actual clinical practice of each radiologist
- D. The reviewer should assess the agreement of the original report with subsequent review to determine if there are additional or different findings not identified.
- E. The reviewer should classify peer review findings with regard to the level of quality concerns according to the scoring system as seen below, using the peer review form:
 - 1 = Concur with Interpretation
 - 2 = Discrepancy in Interpretation/not ordinarily expected to be made (Understandable miss)
 - 3 = Discrepancy in Interpretation/should be made most of time
 - 4 = Discrepancy in Interpretation/should be made almost every time-misinterpretation of findings
- F. Of any discrepant peer review findings of a score of 3 or 4, the imaging study will be reviewed by the Quality Improvement Committee (QIC) and/or delegate to confirm that there was a miss and clinical significance. If confirmed:
 - a. The reviewer will document the discrepancy in detail on the peer review form.
 - b. An addendum will be added to the report to reflect missed significant findings.
 - c. The original ordering provider will get updated via email.
 - d. If significantly warranted, a report will be sent to the Chairman of Radiology for appropriate corrective measures.
- G. On a quarterly basis:
 - a. Summary statistics and comparison will be generated, for each radiologist, by modality and facility.
 - b. Review statistics will be sent to each radiologist for their review.
 - c. These results will be reviewed by the QIC for any of the above mentioned actions if necessary.

QIC Peer Review Worksheet

Instructions: Please print your name and the date the worksheet was completed in the boxes provided. Include the medical record number, name of the reviewing physician, the date the study was performed, and identify the type of study in the space provided.

Peer Reviewer:

Month Completed:

Patient's Name/ MRN	Name of Original Reader	Date of Procedure	Type of Study	I	II	III *	IV *	Indication for Exam Reviewed Yes/No	Correlation with Prior Images Yes/No/NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA
			CT					Y N N	Y N NA

I Concur with interpretation

II Difficult diagnosis, not ordinarily expected to be made

*III Diagnosis should be made most of the time

*IV Diagnosis should be made almost every time - misinterpretation of finding

***All category III or IV discrepancies must be detailed and attached to this form.**

Our discussions, materials and commentary are only occurring with the expectation of absolute confidentiality and in accordance with the rules of our Quality Improvement Committee.

QIC Peer Review Worksheet

Instructions: Please print your name and the date the worksheet was completed in the boxes provided. Include the medical record number, name of the reviewing physician, the date the study was performed, and identify the type of study in the space provided.

Peer Reviewer:

Month Completed:

Patient's Name/ MRN	Name of Original Reader	Date of Procedure	Type of Study	I	II	III *	IV *	Indication for Exam Reviewed Yes/No	Correlation with Prior Images Yes/No/NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA
			PET					Y N	Y N NA

I Concur with interpretation

II Difficult diagnosis, not ordinarily expected to be made

*III Diagnosis should be made most of the time

*IV Diagnosis should be made almost every time - misinterpretation of finding

***All category III or IV discrepancies must be detailed and attached to this form.**

Our discussions, materials and commentary are only occurring with the expectation of absolute confidentiality and in accordance with the rules of our Quality Improvement Committee.



Effective Date: 03/18/2016

Radiology Director Signature: _____

PURPOSE

To maximize quality of diagnostic information and to minimize patient, personnel, & public risk

RESPONSIBILITIES

The quality control program is under the supervision of the Director or Manager of each Radiology area. This individual shall have the responsibility of establishing and maintaining the quality control program for that area. She/he may delegate specific tasks to other members of the department, but shall retain full responsibility for:

- Maintaining the program
- Ensuring that appropriate documentation of operation is performed
- Ensuring that maintenance on all equipment is completed

SAFETY

Safety to patients, personnel, and the public are important parts of quality control. Radiology safety policies & procedures may be found in various hospital/system manuals such as the:

Environment of Care Manual

- Internal & External Disaster Manual
- Infection Control Manual
- Hazardous Material & Waste Management Manual
- Systems Policy Manual
- Management Manual

PROPER PERFORMANCE OF EQUIPMENT

1. Equipment used in the diagnosis, treatment, or monitoring of patients shall be properly maintained to ensure proper performance and safety.
2. Minor electrical support equipment in the Radiology areas (e.g., safelights, view boxes, lamps, etc.) is inspected, both visually and for electrical leakage annually by Clinical Engineering. Problems are documented and reported to Clinical Engineering and/or Vendor service representative for repair. Records for these tests are maintained in Clinical Engineering.
3. Regularly schedule **preventive maintenance of equipment** is performed for major Radiographic/Imaging equipment according to the following schedule:

Type of Equipment	Preventive Maintenance	Physicist Inspection
Radiographic Rooms	Annually	Annually
C-Arm Equipment	Annually	Annually
Ultrasound Units	Annually	As needed
CT Equipment	Annually	Annually
MRI Equipment	Annually	Annually
PET/CT Equipment	Annually	Annually

EQUIPMENT TRAINING/ORIENTATION

1. Before new staff members are expected to work on equipment, an orientation with another staff member is given. They rotate through rooms with a knowledgeable technologist.
2. Operating instructions for each piece of equipment may be located in the department, Radiology Engineering, or found on the Radiology Share Drive
3. After explanation/demonstration of equipment and verbal confirmation by employee of understanding, an initial departmental competency and training form is completed by Manager/Supervisor or by the designated staff member giving the orientation.
4. Staff members may not utilize equipment that has not been properly explained/demonstrated to them.
5. When new equipment is installed or major modification is made, the training shall be provided by vendor. All employees will be trained on new/changed equipment before operating.
 - a. Training manuals shall be provided by vendor to include operating instructions and service manuals.
 - b. Training shall include operation, application and safety aspects of equipment.
 - c. Additional training will occur thereafter as deemed necessary by supervisors involved.
6. Periodic training/re-orientation will be given on major pieces of equipment, if needed.

EVALUATION OF EQUIPMENT PERFORMANCE

1. Minimum guidelines for evaluation of equipment performance by service engineers shall include the following:
 - a. **Radiographic Systems-** kVp accuracy, timer accuracy, and mA linearity.
 - b. **Fluoroscopic Systems-** High contrast and low contrast resolution tests, Radiation outputs for a standard patient thickness in the automatic brightness mode; maximum fluoroscopic a radiation outputs; cine dose rate for cardiac systems.
 - c. **Computed Tomography-** Imaging performance data, e.g., identify noise level and resolution.
 - d. **Ultrasound Systems-** Spatial and axial resolution penetration of each transducer. Power supply assemblies - check voltage and current. Clean entire system and camera. Check cables/connectors for proper seating.
 - e. **MRI Systems-** Resolution and signal-to-noise ratio.
 - f. **PET Systems-** Spatial resolution, sensitivity, scatter fraction, and count rate performance
2. The remaining components of evaluation of equipment performance and quality control are performed by technical staff within the department:
 - a. **CASSETTES/SCREENS or CR PLATES** - Visual inspection of screen or plate condition for defect/artifact identification. Regular cleaning of screens and or plates is performed.
 - b. **LEAD APRONS, GLOVES AND THYROID SHIELDS-** Annual visual and radiographic testing of lead shielding devices to assure protection from radiation.

PHYSICIST EVALUATION OF EQUIPMENT, PROCEDURES, RADIATION SAFETY 2:17 P.M.

1. A qualified medical Radiation Physicist performs annual testing on all radiation-producing equipment in Radiology/CT/PET/MRI.
2. In Radiology/CT, the following test procedures are performed annually with results reported to the state of Tennessee, Division of Radiological Health:
 - a. **Radiographic/CT-** S.I.D. Indicator, Film/Beam Alignment, Automatic Collimation, Timer Accuracy, mR Reproducibility, Half-Value Layer (Filtration), Field Size Indicator, X-ray/Light Congruence, kVp Accuracy, Timer Reproducibility
 - b. **Fluoroscopic-** Fluoro Collimation, Barrier greater than beam, Timer, Table top outlet, Target to table top distance, Beam/Image Receptor Alignment, Barrier beam linkage, Half-Value Layer (Filtration)
3. The physicist also surveys to determine if compliance is met in the following:
 1. "Caution – Radiation..." signs are posted
 2. Technique charts posted
 3. Exposure cords appropriate length -unable to step outside control panel
 4. Battery powered machines - to be able to see status of battery charge
 5. Tubes using one exposure switch clearly indicated on control panel
 6. Tube heads unable to drift during exposures
 7. Permanent markings to indicate image receptor size and SID
 8. Tube registration present
 9. State regulations present
 10. "Notice to Employees" present
 11. X-ray Room" signs posted outside radiation-producing rooms
 12. Rooms have adequate shielding based on survey
 13. All personnel exposed to radiation have monitoring devices
 14. Personnel monitoring devices worn outside of apron at collar
 15. Personnel monitoring reports complete
 16. Personnel in or near the primary beam wear lead gloves
 17. Persons under 18 or pregnant women do not hold films/patients
 18. Gonadal shielding used during each exam in which gonads are in the useful beam except when
 19. All lead aprons/gloves' protective ability is not impaired
4. Provides all testing for the Nuclear Medicine Department and Radiation Therapy in accordance with State and Federal guidelines.
5. Advises facility on all matters regarding radiation.
6. Assists with developing all policies/procedures regarding radiation.
7. All new radiation producing equipment shall be inspected by Radiation Physicist before equipment is used on patients.
8. Radiation Protection File - Located in Radiology Department or Radiology Engineering
 - a. State Regulations Manual
 - b. Radiological Physics surveys
 - c. State X-Ray Tube Registrations
 - d. State Inspections and replies.
 - e. Radiation Badge reports.
 - f. Radiation shielding recommendations (from architect).
 - g. Glove and apron fluoro surveys (annual survey).



Effective Date: 03/18/2016

Medical Director Signature: _____

I. PURPOSE

To ensure safe and secure storage of radiopharmaceuticals

II. SCOPE

This policy applies to all employees and contractors that supply or handle radiopharmaceuticals for West Cancer Center, West Clinic, and other MLH facilities.

III. RESPONSIBILITIES

It is the responsibility of the Radiology Director to see that staff are properly trained upon hire and as directed through annual reorientation about safety and security policies surrounding the storage and handling of radiopharmaceuticals.

IV. PROCEDURE

1. Employees are trained upon initial orientation on the procedures within this policy
2. The radiopharmaceutical storage facility is secured through badge access.
3. Nuclear pharmacy delivery personnel are escorted to the hot lab by West/MLH Nuclear Medicine staff. After delivery, they are escorted out.
4. An inventory of all radiopharmaceuticals and all other radioactive sources is maintained.
5. If a discrepancy is observed, it is immediately reported to the Radiology Director, who initiates an investigation. This investigation includes any and all institutional and government bodies as required.

V. DESIRED OUTCOME

100% safe and secure storage of radiopharmaceuticals and other radioactive sources



Effective Date: 03/18/2016

Medical Director Signature: _____

I. INDICATIONS

- A. Differentiating benign from malignant lesions
- B. Searching for an unknown primary tumor when metastatic disease is discovered as the first manifestation of cancer or when the patient presents with a paraneoplastic syndrome
- C. Staging known malignancies
- D. Monitoring the effect of therapy on known malignancies
- E. Determining whether residual abnormalities detected on physical examination or on other imaging studies after treatment represent tumor or post-treatment fibrosis/necrosis
- F. Detecting tumor recurrence, especially in the presence of elevated levels of tumor markers
- G. Selecting the region of a tumor most likely to yield diagnostic information for biopsy
- H. Guiding radiation therapy planning

II. PROCEDURE

A. Patient Preparation:

- 1. Determine if female patient 55 years of age or younger are possibly pregnant or breastfeeding. If a patient is possibly pregnant, a pregnancy test is given prior to injection of FDG. Patients that are breastfeeding are advised to discontinue breastfeeding for 24 hours after the scan.
- 2. Before arrival, patients are instructed to fast, not consume beverages (except for water), and not smoke after midnight prior to the day of scan. Three 8 oz. cups of water are advised to keep the patient hydrated. Intravenous fluids containing dextrose or parenteral feedings should also be withheld 4-6 hours prior to injection of FDG. Patients scheduled in the afternoon may eat a light breakfast, providing they begin fasting 4-6 hours prior to injection of FDG. See "PET/CT SCAN INSTRUCTIONS" sheet for more patient instructions.
- 3. Before injection of FDG, glucose levels are checked to verify that a patient's glucose is below 200. **If glucose levels are above 200, the patient is rescheduled.** When intravenous contrast media is used, patients are screened for a history of iodinated contrast media allergy, use of metformin for treatment of diabetes, and renal disease (serum creatinine and GFR lab values).
- 4. Obtain patient's weight prior to injection of FDG.

B. Patient History

- 1. Focused history, including the type/site of malignancy, dates of diagnosis/treatment (biopsy results, surgery, radiation, chemotherapy, and administration of bone marrow stimulants or steroids), and current medications
- 2. History of diabetes, fasting state, and recent infection
- 3. Patient's ability to lie still for the duration of the acquisition (15-45 min)

4. History of claustrophobia (5 mg of Valium/diazepam is given to those patients with drivers)
5. Patient's ability to put his/her arms overhead
6. See "PET/CT Work Sheet" for more patient history questions

III. INJECTION OF RADIOPHARMACEUTICAL

- A. The **ADULT dose range for ^{18}F -FDG is 5-20 mCi**. Low end of dose range should be considered for smaller patients. Administered activity may take into account patient mass and time available on PET scanner.
- B. The **PEDIATRIC dose range for ^{18}F -FDG is 0.10-0.14 mCi/kg with a minimum of 1 mCi**. Low end of dose range should be considered for smaller patients. Administered activity may take into account patient mass and time available on PET scanner.
- C. Calibration of the dose is measured and documented immediately pre and post injection for administered dose calculation value. The patient remains seated for administration of FDG and then remains seated/reclined during the uptake phase (60-90 min) in a dimly-lit holding room. Scan begins 60-90 min post injection. (See ^{18}F -FDG Package Insert for radiation dosimetry information.)
- D. Patients should be advised to not read, use a phone/tablet, or listen to music for the entirety of the uptake phase.

IV. IMAGE ACQUISITION

- A. Typical acquisition parameters are base of skull to the mid-thigh region. For tumors involving the scalp or lower extremities, total-body tumor imaging is performed (i.e. history of melanoma)
 1. Patient positioning and pre-acquisition preparation
 - a. Patient is instructed to void before acquisition to reduce radiation dose to the bladder.
 - b. All metallic objects are removed from the patient.
 - c. Arms are positioned over the head if patient is able to tolerate, otherwise arms are positioned along the side.
 2. Protocol for CT imaging
 - a. A low-dose scout CT is obtained for CT and PET imaging parameters.
 - b. A CT is obtained. To those patients with serum **creatinine levels lower than 2.0 mg/dL, GFR greater than or equal to 31, and no history of iodine allergy**, 100-115 mL of Omnipaque/Visipaque intravenous contrast is administered at a flow rate between 1.5-1.8 mL/sec.
 3. Protocol for PET imaging
 - a. Emission images are obtained 60-90 min post FDG injection.
 - b. The emission image acquisition time varies from 1.5-5 min per bed position, depending on the tumor site and patient body weight.

V. IMAGE PROCESSING

- A. PET Reconstruction
 1. PET data consist of the number of detected events along lines of response between detector pairs. The emission data is corrected for detector efficiency (normalization), system dead time, random coincidences, scatter, attenuation, and sampling nonuniformity. All of these corrections are incorporated directly into the computer's reconstruction process. The non-attenuation-corrected images are automatically

reconstructed in a 3D-RAMLA, and the attenuation-corrected images are automatically reconstructed in a CT corrected LOR-RAMLA.

2. The CT acquired prior to the PET images is used as the transmission scan and automatically used in the attenuation-corrected PET images.

VI. POST PROCEDURE INSTRUCTIONS

- A. All patients are instructed to maintain safe distance from small children/infants and any persons that are pregnant for 4 hours after the scan.
- B. If a diabetic patient taking metformin received iodinated contrast media, **patient should be instructed to not take their metformin for 2 days** after the scan.
- C. All patients exit the facility immediately following release from the Nuclear Medicine department to avoid unnecessary radiation exposure to others within the facility.

**Attachment B, Need, Item 1
(Project Specific Criteria-PET Service)**

Physician CV's and Certification



**Verification of Certification and Maintenance
of Certification (MOC)**

October 30, 2017

Name: Dr. Scott Leslie Baum
Practice Locations: Memphis, TN
Participating in MOC

Certificate	Status	Valid Through	Maintenance	MOC Requirements
Interventional Radiology/Diagnostic Radiology	Valid	03/02/2019*	Maintained	Meeting

The information provided in this letter is considered the primary source verification. The most current certificate and MOC public reporting status information can be accessed at any time for Dr. Scott Leslie Baum by entering the required information in the 'Verify board certification status' search on the ABR website at www.theabr.org.

For questions regarding the ABR MOC Program or its participation requirements, please contact the board office at (520) 519-2152 or information@theabr.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Valerie Jackson", written over a horizontal line.

Valerie Jackson, MD
Executive Director
American Board of Radiology

*Validity of certification is contingent upon participation in Maintenance of Certification. The ABR recommends verification of certification be repeated annually, three business days after the ABR's March 2nd annual review.

**CURRICULUM VITAE
SCOTT L. BAUM, M.D.**

D.O.B.: November 21, 1957
PLACE OF BIRTH: Atlanta, Georgia
Address: 708 W. Suggs
Memphis, Tennessee 38120

EDUCATION:

College: University of Tennessee, Knoxville, TN
9/75-3/79, BA
Medical College: University of Tennessee, Memphis
8/79-6/83, MD
Internship: St. Louis University, St. Louis, MO
7/83-6/84
Residency: Diagnostic Radiology
St. Louis University, St. Louis, MO
7/84-6/87
Chief Resident: 1986-1987
Fellowship: University of Tennessee, Memphis, TN
Angiography/Interventional Radiology
7/87-6/88

APPOINTMENTS:

PRESENT: West Cancer Center
7945 Wolf River Blvd.
Germantown, TN 38138-1733
10/98-present

NCCN Lung Cancer Screening Panel
Advisory Board Member
2012-present

University of Tennessee Health Science Center
Affiliated Assistant Professor of Radiology Fellowship Program
3/14-present

University of Tennessee Health Science Center
Clinical Assistant Professor of Radiology
7/02-present

Mid-South Imaging and Therapeutics
Co-Director of Angiography/Interventional Radiology Section
7/90-10/98

 12.21.15

Revised 12/21/2015

Clinical Assistant Professor of Radiology
University of Tennessee, Memphis
1990-98

Assistant Professor of Radiology
University of Tennessee, Memphis
1989-90

Instructor of Radiology
University of Tennessee, Memphis, TN
1988-89

BOARD CERTIFICATIONS: American Board of Radiology
June, 1987

SOCIETY MEMBERSHIPS: American College of Radiology
Radiological Society of North America
Society of Cardiovascular and Interventional Radiology
Tennessee Radiological Society

PRESENTATIONS:

1. Percutaneous Management of Peripancreatic Pseudoaneurysms and Collections.
University of Tennessee Surgical Grand Rounds, 1988.
2. Magnetic Resonance Imaging and Oncology
Baptist Memorial Hospital Cancer Symposium, 1988
3. Radiological Evaluation of Cervical Spine Trauma
University of Tennessee Trauma Symposium, 5/88
4. Embolization of Peripheral Pseudoaneurysms
Neuro and Peripheral Interventional Radiology Course
Bermuda, 8/92
Baptist Memorial Hospital Continuing Medical Education Department
5. Embolization with the Mechanical, Detachable Coil
Society of Cardiovascular and Interventional Radiology Annual Meeting
New Orleans, LA 2/93

PUBLICATIONS:

1. Brief Report. Arteriovenous Fistula after Biopsy of Renal Transplant: Diagnosis and Therapy. Pediatric Nephrology, 11:92.
2. Silent Deep Venous Thrombosis in Immobilized Trauma Patients, American Journal of Surgery 158:515-519; 12:89.
3. Bronchial arteriography and Embolotherapy for Hemoptysis in Patients with Cystic Fibrosis. Cardiovascular and Interventional Radiology, 14:241-246, 91.
4. AAST Organ Injury Scale: Correlation of CT-Grade Liver Injury and Operative Findings. Journal of Trauma, 31:806-812, 91.

5. Initial Experience with a Universal Length Co-Polimar Ureteral Stent. Cardiovascular and Interventional Radiology. 90.
6. Trauma Center Imaging Problems: Proposed Solution with Picture Archiving Communication Systems. Journal of Digital Imaging, Vol. 4:79-86, 91.
7. Lung Cancer Screening, Version 1. 2015: Featured Updates to NCCN Guidelines 13:23-34, 15.



**Verification of Certification and Maintenance
of Certification (MOC)**

December 14, 2017

Name: Dr. William Alexander Lankford

Practice Locations: Memphis, TN

Certificate	Status	Valid Through	Maintenance	MOC Requirements
Diagnostic Radiology	Valid	03/02/2046	Not Required	Not Required

The information provided in this letter is considered the primary source verification. The most current certificate and MOC public reporting status information can be accessed at any time for Dr. William Alexander Lankford by entering the required information in the 'Verify board certification status' search on the ABR website at www.theabr.org.

For questions regarding the ABR MOC Program or its participation requirements, please contact the board office at (520) 519-2152 or information@theabr.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Valerie Jackson", is written over a horizontal line.

Valerie Jackson, MD
Executive Director
American Board of Radiology

CURRICULUM VITAE

NAME: William A. Lankford, M.D.

ADDRESS: 8800 Poplar
Germantown, TN 38138

DATE OF BIRTH: July 1, 1946

PLACE OF BIRTH: Sikeston, Missouri

EDUCATION: Murray State University, BA degree, 1968

University of Tennessee Medical School,
MD Degree, 1972.

POST-DOCTORATE TRAINING: Internship at Baptist Memorial Hospital,
Memphis, TN, 1972 - 1973.

Radiology Residency at Baptist Memorial
Hospital, Memphis, TN, 1973 - 1976.

LICENSURE AND CERTIFICATION: Medical License issued in June, 1972.

Board Certification in Radiology in June, 1976.

PROFESSIONAL POSITION: Member of the Medical Staff of Baptist
Memorial Hospital from 1976 - 1989.

West Cancer Center
7945 Wolf River Blvd.
Germantown, TN 38138
June 1989 - Present

AFFILIATIONS: Mid-South Clinical Research Institute
6409 Quail Hollow Road, Memphis, TN



August 29, 2018

2:17 P.M.



Verification of Certification and Maintenance of Certification (MOC)

December 14, 2017

Name: Dr. Daniel Knight Powell
Practice Locations: Memphis, TN
Participating in MOC

Certificate	Status	Valid Through	Maintenance	MOC Requirements
Interventional Radiology/Diagnostic Radiology	Valid	03/02/2019*	Maintained	Meeting

The information provided in this letter is considered the primary source verification. The most current certificate and MOC public reporting status information can be accessed at any time for Dr. Daniel Knight Powell by entering the required information in the 'Verify board certification status' search on the ABR website at www.theabr.org.

For questions regarding the ABR MOC Program or its participation requirements, please contact the board office at (520) 519-2152 or information@theabr.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Valerie B. Jackson", is written over a horizontal line.

Valerie Jackson, MD
Executive Director
American Board of Radiology

*Validity of certification is contingent upon participation in Maintenance of Certification. The ABR recommends verification of certification be repeated annually, three business days after the ABR's March 2nd annual review.

Daniel K. Powell, MD

danielkpowell@gmail.com

(917) 617-7675

Work and Appointments

Interventional Radiology/Diagnostic Radiology, **West Cancer Center**, Memphis, TN

07/2015 – current

- Oncologic and general radiology, including US; PET/CT; cardiac CT; abdominal, neuro- and MSK MRI
- Interventional oncology, including chemoembolization and radioembolization; biopsies, including breast; venous access; GI and GU interventions.

Post-Graduate Training

Interventional Radiology Fellowship, **New York Presbyterian-Columbia**, New York, NY

07/2014 – 06/2015

Radiology Residency, **Mount Sinai Beth Israel**, New York, NY

07/2010 – 06/2014

Transitional Internship, **Flushing Hospital Medical Center**, Flushing, NY

07/2009 – 06/2010

Education

MD, **Jefferson Medical College**, Philadelphia, PA

09/2005 – 05/2009

Premedical Post-baccalaureate, **Bryn Mawr College**, Bryn Mawr, PA

09/2004 – 06/2005

BA, Literature, **Yale University**, New Haven, CT

08/1998 – 05/2002

Bronx High-School of Science, Bronx, NY

09/1993 – 06/1997

Academic Activities & Grants

Grants and Ongoing research

- Grant recipient principle investigator, Associate Trustees Mt. Sinai St. Luke's and Mt. Sinai Roosevelt Small Grant Award 2014
- FDA Investigational Device Exemption (IDE) approval holder 2014-2015
- Developing an Investigational New Drug (IND) application for the FDA 2014-2015

Peer review

- Reviewer, Radiology 2014-2015
- Reviewer, Journal of Vascular and Interventional Radiology 2013-2015
- Reviewer, Journal of Academic Radiology 2013-2015
- Reviewer, Clinical Radiology 2013-2015

 1 

Daniel K. Powell, MD 12/17/2015

- Reviewer, Journal of Clinical Imaging 2012-2015
- Reviewer, American Journal of Neuroradiology 2012-2014
- Reviewer, RSNA physics modules 2013

Leadership and service

- Resident Manager, Angio Simulator Lab, Mount Sinai Beth Israel 2013-2014
- Radiation Safety Committee, Mount Sinai Beth Israel 2012-2013
- Curriculum co-writer, interventional radiology simulator, Mount Sinai Beth Israel 2013
- Created an online research approval and design information repository with guide lines and templates, Mount Sinai Beth Israel 2013
- Proposed a multi-disciplinary information technology research work group to Facilitate approved research 2013

Teaching and interdisciplinary conference

- Interdisciplinary tumor boards (e.g. GI, GU, Gyn, Chest, etc...), attending 2015
- Interesting case conference and morbidity and mortality presentations, fellow 2014-2015
- Regular didactic lectures, journal club presentations and radiologic-pathologic correlation lectures for residents, resident and fellow
- Regular presentations at interdisciplinary meetings, including hepatobiliary, urology, gynecology, head & neck, gastrointestinal and oncology, resident 2011-2015
- Ran regular interventional radiology simulator training sessions, lectures and individual training for each resident, resident 2013-2014
- Periodic radiology lectures for emergency medicine residents, resident 2010-2011

Peer-Reviewed Publications

1. Silberzweig JE, **Powell DK**, Matsumoto AH, Spies JB. State-of-the Art: Management of Uterine Fibroids. *In press Radiology*, 2015.
2. Hao F, **Powell DK**, Sheynzon V. Pediatric Gastroduodenal Embolization with a Microvascular Plug. *Accepted, Cardiovasc Intervent Radiol*, 2015.
3. **Powell DK**, Jamison DK, Silberzweig JE. Introduction of an endovascular simulation basic skills exercise among radiology residents: comparison of simulation test performance with and without practice from a prior case simulation. **Clin Imaging**. 2015 Nov-Dec;39(6):1080-5.
(<http://www.ncbi.nlm.nih.gov/pubmed/26385172>)
4. Whang J, Kolber M, **Powell DK**, Libfeld E. Diffusion-weighted signal patterns of intracranial haemorrhage. **Clin Radiol**. 2015 Aug;70(8):909-16.
(<http://www.ncbi.nlm.nih.gov/pubmed/26050534>)

5. Iyer A, **Powell DK**, Irish R, Math K. Pectus excavatum with delayed diagnosis of implant tear causing recurrent postoperative seromas: a case report. **Skeletal Radiol.** 2015 Aug;44(8):1153-6.
(<http://www.ncbi.nlm.nih.gov/pubmed/25452151>)
6. **Powell DK**, Silberzweig JE. The use of ACR appropriateness criteria: a survey of radiology residents and program directors. **Clin Imaging.** 2015 Mar-Apr;39(2):334-8.
(<http://www.ncbi.nlm.nih.gov/pubmed/25457568>)
7. **Powell DK**, Silberzweig JE. State of structured reporting in radiology, a survey. **Acad Radiol.** 2015 Feb;22(2):226-33.
(<http://www.ncbi.nlm.nih.gov/pubmed/25442793>)
8. **Powell DK**, Shams J. A painful swollen leg. Society of Interventional Radiology Resident and Fellows Section, Case of the Month. December 2014.
(<http://rfs.sirweb.org/wordpressinstall/2014/12/15/case-of-the-month-december-2014-2-of-2/>)
9. **Powell DK**. Patient explanation guidelines to elucidate incidentilomas: helping patients not to fear the delayed surveillance. **AJR Am J Roentgenol.** 2014 Jun; 202(6):W602.
(*Letter to the editor*)
(<http://www.ncbi.nlm.nih.gov/pubmed/24848860>)
10. Lin E, **Powell DK**, Kagetsu N. Efficacy of a checklist-style structured radiology reporting template in reducing resident misses on cervical spine computed tomography examinations. **J Digit Imaging.** 2014 Oct;27(5):588-93.
(<http://www.ncbi.nlm.nih.gov/pubmed/24865860>)
11. **Powell DK**, Lin E, Silberzweig JE, Kagetsu N. Introducing radiology report checklists among residents: adherence rates when suggesting versus requiring their use and early experience in improving accuracy. **J Acad Rad.** 2014 Mar; 21(3):415-423.
(<http://www.ncbi.nlm.nih.gov/pubmed/24507429>)
12. **Powell DK**, Levin G, Kodsí K, Yim A, Nicholson D, Kagen A. Comparison of comfort and image quality with two endorectal coils in MRI of the prostate. **J Magn Reson Imaging.** 2014 Feb; 39(2):419-26.
(<http://www.ncbi.nlm.nih.gov/pubmed/23682041>)
13. **Powell DK**, Jacobson AS, Kuflik PL, Persky MS, Silberzweig JE, Khorsandi AS. Fibular flap reconstruction of the cervical spine for repair of osteoradionecrosis. **Spine J.** 2013 Nov; 13(11):e17-21.
(<http://www.ncbi.nlm.nih.gov/pubmed/23932779>)
14. Lynskey GE, **Powell DK**, Dixon RG, Silberzweig JE. Radiation protection in Interventional Radiology: Survey results of attitudes and utilization. **J Vasc Interv Radiol.** 2013 Oct; 24(10):1547-51.e3.

(<http://www.ncbi.nlm.nih.gov/pubmed/23876553>)

15. **Powell DK**, Goldfarb R, Ongseng F. Hepatobiliary Rim Sign: new implications for acute and complicated cholecystitis. **Nucl Med Commun.** 2013 May; 34(5):467-477.
(<http://www.ncbi.nlm.nih.gov/pubmed/23470462>)
16. **Powell DK**, Nwoke F, Urken ML, Buchbinder D, Jacobson AS, Silberzweig JE, Khorsandi AS. Scapular free flap harvest site: Recognizing the spectrum of radiographic post-operative appearance. **Br J Radiol.** 2013 Mar; 86(1023):20120574.
(<http://www.ncbi.nlm.nih.gov/pubmed/23392191>)
17. **Powell DK**, Holliday RA, Chung M, Silberzweig JE. Initial attempts to modify dictation practice. **J Am Coll Radiol.** 2013 Apr; 10(4):296-300.
(<http://www.ncbi.nlm.nih.gov/pubmed/23416034>)
18. **Powell DK**, Goldfarb R, Nwoke F, Ongseng F. Tc-99m-sestamibi parathyroid gland scintigraphy: added value of Tc-99m-pertechnetate thyroid imaging. **Clin Imaging.** 2013 May-Jun; 37(3):475-9.
(<http://www.ncbi.nlm.nih.gov/pubmed/23102932>)
19. Murray RC, **Powell D**, Curry JM, Sperling MR, Evans JJ, Spiegel JR. Epileptic Laryngospasm Presenting as a Primary Sleep Disturbance. **Arch Otolaryngol Head Neck Surg.** 2010 Oct; 136(10):1025-7.
(<http://www.ncbi.nlm.nih.gov/pubmed/20956752>)

Textbooks/chapters

1. **Powell DK**, Killam J, Legasto A. Cardiac MRI: ischemic and non-ischemic cardiomyopathy. Saarbrücken, Germany: Lambert Academic Publishing; 2013.
(<http://www.amazon.com/Cardiac-MRI-Ischemic-non-ischemic-cardiomyopathy/dp/3659325864>)
2. **Powell DK**, Seliger G. A common pattern of disease: obstructive and non-obstructive dilated small bowel. Saarbrücken, Germany: Lambert Academic Publishing; 2012.
(<http://www.amazon.com/Common-pattern-disease-Obstructive-non-obstructive/dp/3659147958>)

Awards & Honors

- Outstanding Reviewer – Clinical Imaging 2015
- Who's Who in America, 70th edition 2016
- 2014 Top Reviewer for the Journal of Vascular and Interventional Radiology 2014
- Recognition for Dedication to Improving Quality and Patient Safety Initiatives, Mount Sinai Beth Israel 2014

- ACR/RRA/RAHSR/ AUR Scholar Program
 - Also sub-selected for Oral Scholar Presentation
- 2013 Top Reviewer for the Journal of Vascular and Interventional Radiology 2013
- Second place (Academic papers), Beth Israel Medical Center Essay Contest 2013
- Invitation to the Gastrointestinal *Power Hour*, ARRS Annual meeting 2013
- Honorable Mention Semi-finalist: Beth Israel Medical Center Research Fair 2013
- Roentgen Resident Research Award 2012
- Introduction to Academic Radiology Program, ARRS 2012
- CME Discussion, RSNA Annual Meeting 2012
- Honorable Mention Semi-finalist: Beth Israel Medical Center Research Fair 2012
- Invitation to the Nuclear Medicine *Power Hour*, ARRS Annual meeting 2011
- Basic Cancer Research Grant, Thomas Jefferson University 2006
- Basic Cancer Research Grant, Thomas Jefferson University 2005
- Project Health Care Internship, Bellevue Hospital 2000
- Semi-finalist, Westinghouse Science Talent Search 1997

National Meeting Presentations

1. **Powell DK**, Jamison DK, Silberzweig JE. Introduction of an endovascular simulation curriculum among radiology residents. Scientific program poster presentation, SIR Annual Scientific Meeting, February-March, 2015.
2. **Powell DK**, Silberzweig JE. Simulator machine endovascular curriculum: the introduction of a program among radiology trainees and initial results. AUR Scholar Program Oral Presentation, AUR Annual Meeting, April, 2014.
3. **Powell DK**, Levin G, Kodsí K, Yim A, Kagen A. Endorectal Coil Selection in Prostate MRI: focus on patient comfort and image quality. Scientific exhibit, ARRS Annual Meeting, April 2013.
4. **Powell DK**, Holliday RA, Chung M, Szilagyi S, Silberzweig JE. Universal reporting language: elimination of inappropriate terms. Scientific Informal Presentation, RSNA Annual Meeting, November 2012.
5. **Powell DK**, Silberzweig JE, Lin E, Merunka V, Kagetsu N. Checklist may be safe, but they don't teach: Introducing checklist structured reporting to residents. Scientific Informal Presentation, RSNA Annual Meeting, November 2012.
6. **Powell DK**, Vairavamurthy J, Killam J, Legasto A. Cardiac No-Reflow Phenomenon. Computer Education Exhibit Presentation, RSNA Annual Meeting, November 2012.
7. **Powell D**, Morales E, Seliger G. Dilated obstructive and non-obstructive Small Bowel Disease. Electronic Presentation, ARRS Annual Meeting, May 2012.

8. **Powell D**, Libfeld E. Diagnosis of early spinal cord infarction with diffusion weighted imaging (DWI). Excerpta extraordinaria (scientific exhibit), American Society of Spine Radiology Symposium, February 2012.
9. **Powell D**, Goldfarb R, Ongseng F. Pericholecystic Hepatic Uptake on Hepatoscintigraphy and its Implications for Complicated and Non-complicated Acute Cholecystitis. Electronic Presentation, ARRS Annual Meeting, May 2011.
10. **Powell DK**, Antoci V Jr., Jose B, Parvizi J, Zeiges AR, Shapiro IM, Wickstrom E, Adams CS, Hickok NJ. Delivery of Doxorubicin By Titanium Implants. Poster presentation, Orthopaedic Research Society Annual Meeting, 2006.
11. **Powell D**, Nash C. Adolescent Responses to Authority. Westinghouse Science Talent Search, 1997.

Abstracts

1. Lin E, **Powell D**, Kagetsu NJ. Efficacy of Checklist-Style Structured Reporting In Reducing Missed Findings In Resident Preliminary Reports. American Society of Neuroradiology Annual Meeting, 2012.
2. Antoci V Jr, Adams CS, **Powell DK**, Antoci V, Hickok N, Shapiro IM, Parvizi J. High Dose, Common Antibiotics Inhibit Cellular Proliferation. Proceedings of the Orthopaedic Research Society, 2006.
3. Antoci V Jr., Adams CS, **Powell DK**, Antoci V, Hickok NJ, Shapiro IM, Parvizi J. Where is the Balance for Antibiotic Concentration in Methylmethacrylate Cement? International Society for Technology in Arthroplasty, 2006.
4. Antoci V Jr., Adams CS, **Powell DK**, Antoci V, Hickok NJ, Shapiro IM, Parvizi J. Cytotoxicity as a Function of Antibiotic Concentration Released from Cement. Proceedings of the Musculoskeletal Infection Society, 2006.
5. Antoci V Jr., Adams CS, **Powell DK**, Antoci V, Hickok NJ, Shapiro IM, Parvizi J. High Dose Common Antibiotics Inhibit Cellular Proliferation. Proceedings of the Orthopaedic Research Society, 2006

Local Meeting Presentations

1. **Powell DK**, Levin G, Kodsí K, Yim A, Kagen A. Endorectal Coil Selection in Prostate MRI: focus on patient comfort and image quality. Beth Israel Medical Center Research Fair 2013. *Honorable Mention Semi-finalist*.
2. **Powell DK**, Nwoke F, Urken ML, Buchbinder D, Jacobson AS, Silberzweig JE, Khorsandi AS. Scapular free flap harvest site: Recognizing the spectrum of radiographic post-operative appearance. Beth Israel Medical Center Research Fair 2013.

3. **Powell DK**, Morales E, Seliger G. Dilated obstructive and non-obstructive small bowel disease. Beth Israel Medical Center Research Fair 2012. *Honorable Mention Semi-finalist.*
4. **Powell DK**, Goldfarb RC, Ongseng F. Hepatobiliary Rim Sign: New Implications for Acute and Complicated Cholecystitis. Beth Israel Medical Center Research Fair 2012.
5. **Powell D**, Vaivaramurthy J, Legasto A. Cardiac No-Reflow Phenomenon. Beth Israel Medical Center Research Fair, 2012.
6. **Powell D**, Libfeld E. Diagnosis of presumed early spinal cord infarction with diffusion weighted imaging (DWI). Beth Israel Medical Center Research Fair, 2012.
7. **Powell DK**, Lin E, Merunka V, Silberzweig J, Kagetsu N. Checklists May Be Safe, But They Don't Teach: Introducing Structured Reporting to Residents. Beth Israel Medical Center Research Fair, 2012.
8. **Powell DK**, Soto E, Do Ouro S, Lidov M, It's Rare, But Beware If It's In There: Intrathecal catheter tip granuloma/inflammatory mass. Beth Israel Medical Center Research Fair, 2012.
9. **Powell DK**, Antoci V Jr., Jose B, Parvizi J, Zeiges AR, Shapiro IM, Wickstrom E, Adams CS, Hickok NJ. Site-Directed Chemotherapy Delivery: Doxorubicin-Modified Titanium. Sigma Xi Research Day, Thomas Jefferson University, 2006.

Work During Medical School

Thomas Jefferson University - Orthopedic Research laboratory	09/2006 – 07/2009
Laboratory assistant	
-Synthesis of chemotherapeutic and antibiotic surfaces, testing their effects on osteoblasts, osteosarcoma and <i>s. aureas</i>	
Basic science cancer research intern, grant recipient	06/2006 – 08/2006
Children's Hospital of Philadelphia and St Christopher's Hospital	10/2006 – 06/2007
Certified Spanish Interpreter - (Phoenix Language Services and Lingual Institute)	
-Trained 100 hours in professional interpreting in the classroom, simulation, and under observation	
-Worked as an interpreter for office visits, inpatients and procedures	
JeffHOPE	06/2005 – 6/2007
Homeless shelter clinic	
Primary care "office" visits under preceptor supervision	
District Health Care Center #3	10/2004 – 6/2005
French and Spanish interpretation for clinic visits	
Assisted in playroom and pre-natal clinic	

Employment/Occupation between schooling ("gaps in training")Between College and Medical School

Orthopedic Research Laboratory, Jefferson Medical College	06/2005 – 08/2005
Basic science cancer research intern, grant recipient	
Bryn Mawr College, Bryn Mawr, PA	09/2004 – 06/2005
Pre-medical Post-baccalaureate certification	
Hospital Sant Joan de Deu (Pediatric Hospital), Barcelona, Spain	05/2004 – 08/2004
Volunteer	
Cours de Langue et Civilisation Francaise (French language course)	02/2004 – 04/2004
L'Universite Paris-Sorbonne	
Government Office of Pharmaceutical Publicity (Madrid, Spain)	12/2003 - 02/2004
Translator and office assistant	
Corkery Group	01/2003 – 12/2003
Healthcare public relations and strategy consultant.	
Public Policy Productions	07/2002 – 12/2002
Documentary Production Assistant "Waging a Living" and "Aging Out"	

Between High School and College (deferred admissions of on-schedule acceptance)

3D Construction	07/1997 – 11/1997
Laborer	
Alotepec High School 52, Mexico	12/1997 – 05/1998
English Teacher, high school and grade school	
Morgan Stanley-Dean Witter	06/1998 – 08/1998
Information Technology administrative assistant and web developer	

**Attachment B, Need, Item 1-8.b
(Project Specific Criteria-PET Service)**

Cancer Incidence and Mortality Chart

CANCER INCIDENCE AND MORTALITY RATES BY SITE**2010-2014**

	Shelby County		Southwest Region		Tennessee	
	Incidence	Mortality	Incidence	Mortality	Incidence	Mortality
All Sites	460.6	197.5	457.8	195.5	464.0	187.2
Lung	64.6	51.4	70.3	54.9	76.1	58.3
Melanoma of the Skin	11.1	1.8	11.8	2.0	20.3	3.1
Female Breast	129.7	26.5	125.0	26.9	121.3	20.2
Prostrate	153.5	31.4	139.9	27.2	119.5	20.6
Pancreas	13.8	12.8	13.1	12.0	12.0	11.1

Note: Southwest Region includes Chester, Decatur, Fayette, Hardeman, Haywood, Henderson, Lauderdale, McNairy, Madison, Shelby and Tipton Counties.

Source: Tennessee Department of Health, Tennessee Cancer Registry Data, Cancer in Tennessee 2010-2014.

**Attachment B, Need, Item C
(Service Area Utilization)**

Revised Page 21

August 29, 2018**2:17 P.M.**

Response: The existing service area of the applicant for these services is Shelby County. Approximately 87% of the patients who receive PET/CT services are from Shelby County. Please see service area map included as Attachment Section B, Need-3.

Please complete the following tables, if applicable:

PET/CT SERVICES

Service Area Counties	Historical Utilization- County Residents-2016	% of total procedures
County #1 Shelby	837	87%
Other	125	13%
Total	962	100%

Service Area Counties	Projected Utilization- County Residents-2019	% of total procedures
County #1 Shelby	627	87%
Other	94	13%
Total	721	100%

Response: The above tables show the historical and projected utilization for Shelby County, the service area of the Applicant. Any differences between 2016 and 2019 are anticipated to be minimal because these are established services.

Attachment B, Economic Feasibility, Item B

Bank Letter



Supplemental #1

August 29, 2018

2:17 P.M.

August 28, 2018

Via Email

Ron Davis
Chief Financial Officer
The West Cancer Center
7945 Wolf River Blvd
Germantown, TN 38138

Re: Preliminary indication of interest in providing financing for a PET Project

Dear Ron:

I am writing to confirm SunTrust Bank's favorable conversations with Ron Davis, CFO with The West Cancer Center, regarding the acquisition of PET equipment with physician ownership in Memphis, Tennessee (the "Project") and to express SunTrust Bank's initial interest in providing financing for the Project. As discussed, we currently anticipate that we would offer financing in an approximate aggregate principal amount of \$ 1.8 million to the Project (the "Loan"). The anticipated terms of the Loan are currently expected to include a 96 month term and a fixed rate of interest of approximately 5.35%. The anticipated terms of the Loan are preliminary and subject to change, and do not reflect all of the material terms of the Loan which may be required as part of SunTrust Bank's underwriting requirements, which terms may include, without limitation, the grant of a security interest in some or all of the assets of the Project, certain affirmative and negative covenants, and other standard terms and conditions. SunTrust Bank's willingness to extend the Loan is further subject in its entirety to normal underwriting review and all necessary approvals.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Hopkins", is written over a faint, circular, stylized background mark.

Jim Hopkins
Vice President

SunTrust Medical Specialty Group
999 South Shady Grove Suite 210
Memphis, TN 38120
P: 901-415-7324
F: 901-684-6281

Attachment B, Economic Feasibility, Item D,

Projected Data Chart

Revised Pages 32-33

**PROJECTED DATA CHART
PET/CT**

Supplemental #1
August 29, 2018
2:17 PM

☐ Total Facility
☒ Project Only

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January (Month).

	Year 2019	Year 2020
A. Utilization Data (Specify unit of measure, e.g., 1,000 patient days, 500 visits) Unit of Measure = PET/CT procedures	721	728
B. Revenue from Services to Patients		
1. Inpatient Services Not applicable		
2. Outpatient Services Not applicable		
3. Emergency Services Not applicable		
4. Other Operating Revenue (Specify) Technical, Medical Physics and Professional Charges	\$7,351,737	\$7,425,255
Gross Operating Revenue	\$7,351,737	\$7,425,255
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	-\$5,866,687	-\$5,925,353
2. Provision for Charity Care	-\$154,386	-\$155,930
3. Provisions for Bad Debt	-\$154,386	-\$155,930
Total Deductions	-\$6,175,459	-\$6,237,214
NET OPERATING REVENUE	\$1,176,278	\$1,188,041
D. Operating Expenses		
1. Salaries, Wages and Benefits		
a. Direct Patient Care	\$165,110	\$170,064
b. Non-Patient Care		
2. Physician's Salaries and Wages	\$127,114	\$128,385
3. Supplies	\$84,551	\$87,087
4. Rent		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
5. Management Fees:		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
6. Other Operating Expenses Maintenance contracts, repairs, non-medical supplies/expenses, overhead allocation expenses	\$455,364	\$463,511
Total Operating Expenses	\$832,139	\$849,047
E. Earnings Before Interest, Taxes and Depreciation	\$344,139	\$338,993
F. Non-Operating Expenses		
1. Taxes		
2. Depreciation	\$40,000	\$40,000
3. Interest	\$91,801	\$81,642
\$81,642 4. Other Non-Operating Expenses		
Total Non-Operating Expenses	\$131,801	\$121,642
NET INCOME (LOSS)	\$212,388	\$217,351

Chart Continues Onto Next Page

Supplemental #1**August 29, 2018****2:17 P.M.**

NET INCOME (LOSS)	<u>\$212,388</u>	<u>\$217,351</u>
G. Other Deductions		
1. Estimated Annual Principal Debt Repayment	<u>\$190,127</u>	<u>\$195,425</u>
2. Annual Capital Expenditure		
Total Other Deductions	<u>\$190,127</u>	<u>\$195,425</u>
NET BALANCE	<u>\$22,261</u>	<u>\$21,926</u>
DEPRECIATION	<u>\$40,000</u>	<u>\$40,000</u>
FREE CASH FLOW (Net Balance + Depreciation)	<u>\$62,261</u>	<u>\$61,926</u>

☐ Total Facility☒ Project Only**PROJECTED DATA CHART-OTHER EXPENSES**

<u>OTHER EXPENSES CATEGORIES</u>	<u>Year 2019</u>	<u>Year 2020</u>
1. Maintenance Contracts	<u>\$130,000</u>	<u>\$130,000</u>
2. Repairs	<u>\$5,000</u>	<u>\$5,000</u>
3. Non-Medical Supplies and Expenses	<u>\$44,674</u>	<u>\$50,064</u>
4. Sales Expense	<u>\$275,690</u>	<u>\$278,447</u>
Total Other Expenses	<u>\$455,364</u>	<u>\$463,511</u>

Attachment B, Economic Feasibility, Item E.1 (Average Gross Charge, Average Deduction from Operating Revenue and Average Net Charge), E.2 (Proposed Charges) and E.3

Revised Page 34

August 22, 2018

2:17 PM

- E. 1) Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Previous Year 2017	Current Year 2018 (annualized)	Year One 2019	Year Two 2020	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	\$10,201	\$10,195	\$10,195	\$10,195	0%
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	(\$8,161)	(\$8,156)	(\$8,563)	(\$8,563)	5.0%
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	\$2,040	\$2,039	\$1,632	\$1,632	-20.0%

- 2) Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

Response: The PET/CT equipment is currently used to provide patient care services in a hospital outpatient (HOPD) point-of-service (POS) setting. Upon the approval of this project and the implementation of the services as a physician office POS, the average net charge is expected to be approximately 20% less for PET/CT services. This is based on the anticipated lower reimbursement rate to physician offices for the same services. Thus, it is expected that the cost to patients and payors will be less as a result of the approval of this project.

3. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response:

- F. 1) Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. **NOTE: Publicly held entities only need to reference their SEC filings.**

Attachment B, Economic Feasibility, Item F.1

**Balance Sheet
Income Statement**

The West Clinic, PC
Balance Sheet
For The Period Ending July 31, 2018

	<u>2018</u>
ASSETS	
Current Assets	
Cash	\$ 7,960,266
Non-patient Accounts Receivable	2,404,037
Total Current Assets	<u>10,364,303</u>
Fixed Assets	
Property, Plant and Equipment	473,509
Accumulated Depreciation	(460,391)
Total Fixed Assets	<u>13,117</u>
Other Assets	
Due From/To Methodist	-
Net Intangible Assets - Vector Contracts	73,895
TOTAL ASSETS	<u><u>10,451,315</u></u>
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current Liabilities	
Payable	\$ 1,310,276
Payroll Withholdings	186,883
Due From/To Methodist	7,077,011
Unapplied Cash	33,246
	<u>8,607,417</u>
Long-Term Debt	
Notes Payable	1,000,000
Other	236,682
	<u>1,236,682</u>
Stockholders' Deficit	
Common Stock	1,000
Treasury Stock	(362,585)
Additional Paid-In Capital	1,048
Retained Earnings	967,753
	<u>607,217</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u><u>10,451,315</u></u>

**The West Clinic, PC
Income Statement
For Seven Months Ending July 31, 2018**

	<u>2018</u>
REVENUE	
Total Revenue	\$ 46,382,659
Cost of Sales	<u>(15,326,500)</u>
Gross Profit	31,056,159
EXPENSES	
Operating & Physician Expenses	26,875,881
Net Operating Income	<u>4,180,278</u>
OTHER EXPENSES	
Depreciation	4,684
Interest Expense	<u>57,537</u>
Total Other Expenses	62,221
Net Income	<u><u>4,118,057</u></u>

Attachment B, Economic Feasibility, Item F.3

Revised Page 35

Response: . Although the volume utilization of the PET/CT does not meet the HSDA volume guidelines, there are other reasons for its approval. The location of this scanner is in the downtown portion of Memphis where it is difficult for patients to receive services without public transportation. West Clinic is committed to serving all patient populations in Memphis and does not turn patients away if they lack the ability to pay. The payor mix at this location has more Medicare and TennCare patients than the Germantown location. The project will be above breakeven and profitable from its inception.

- 2) Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Year	2nd Year previous to Current Year	1st Year previous to Current Year	Current Year	Projected Year 1	Projected Year 2
Net Operating Margin Ratio	N/A	N/A	N/A	29.3%	28.5%

- 3) Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt/Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

Response:

- G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Response: Please see the payor mix for the PET/CT.

Attachment B, Need, Orderly Development, Item D

ACR Accreditation



American College of Radiology

PET Services of

The West Clinic P.C.

**1588 Union Avenue
Memphis, Tennessee 38120**

were surveyed by the
Committee on Nuclear Medicine Accreditation of the
Commission on Quality and Safety

The following unit was approved

Siemens Biograph mCT 2012

For

Oncology

Accredited from:

September 12, 2016 through September 12, 2019

M. Aghasani

CHAIR, COMMITTEE ON NUCLEAR MEDICINE ACCREDITATION

Beth Allen

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

2018 AUG 29 PM 2:17

Supplemental #1

August 29, 2018

2:17 P.M.

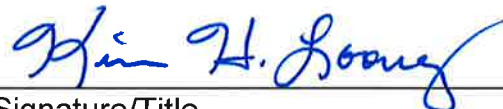
AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: WEST CANCER CENTER, CN1808-037

I, KIM H. LOONEY, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29TH day of August, 2018, witness my hand at office in the County of Davidson, State of Tennessee.



NOTARY PUBLIC

My commission expires: January 8, 2019

HF-0043

Revised 7/02



**MY COMMISSION EXPIRES:
JANUARY 8, 2019**

Supplemental #2 (Original)

West Cancer Center
-Memphis

CN1808-037



615.850.1942

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
P.O. Box 198966
Nashville, TN 37219-8966

Kim Harvey Looney
615.850.8722 direct
kim.looney@wallerlaw.com

Supplemental #2

August 30, 2018

4:23 P.M.
615.244.6804 fax
wallerlaw.com

August 30, 2018

VIA HAND DELIVERY

Phillip Earhart
HSDA Examiner
State of Tennessee
Health Services and Development Agency
Andrew Jackson Building
9th Floor
502 Deaderick
Nashville, TN 37243

Re: West Cancer Center - Memphis - CN1808-037
Second Supplemental Request

Dear Phillip:

This letter is submitted as the second supplemental response to your letter dated August 30, 2018, wherein additional information or clarification was requested regarding the above-referenced CON application.

1. Section B, Need Item 1 (Project Specific Criteria – PET Service), Item 6.d

It is noted the applicant referenced an attachment that included protocols to assure PET procedures performed will be medically necessary and will not duplicate other services. However, the referenced attachment appeared to not include those protocols. Please provide documentation that assures that all clinical PET procedures performed are medically necessary and will not unnecessarily duplicate other services.

Response: The applicant performs pre-certification or if the payer does not require pre-certification a financial review is performed to ensure that any scans that are performed are medically necessary and will not duplicate other services. Please see a Radiology Checklist included as Attachment B, Need Item 1 (Project Specific Criteria – PET Service), Item 6.d which describes this process.

2. Section B, Economic Feasibility, Item D. (Projected Data Chart)

The Projected Data Chart for the PET/CT scanner is noted. However, the Net Income for Year One (2019) is \$212,338 rather than \$212,388. Please correct and submit a replacement page 32 (labeled as 32R2).

Response: Please see revised Projected Data Chart included as Attachment B, Economic Feasibility, Item D (Projected Data Chart).

If you have any questions please contact me at Kim.Looney@wallerlaw.com or by telephone at 615-850-8722.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kim", with a stylized flourish extending from the end.

Kim Harvey Looney

KHL:lag

**Attachment B, Need, Item 1, 6(d)
(Project Specific Criteria-PET Service)**

Radiology Checklist

The University of Tennessee

WEST
Cancer Center

Methodist Healthcare Family

RADIOLOGY CHECKLIST

1. Verify Order
 - a. Type of Procedure
 - b. Diagnosis code on the order (ICD-10 on order)
 - c. Start Date - should be DOS
2. QCL comment
 - a. Start Date – should be Order date
 - b. Due Date – should be DOS
 - c. Edit QCL SOP = DOS/Procedure/Insurance (EX: 8/5/16 CT CAP – BCBS TN)
3. Verify patient has been scheduled for “Test Date” Confirmation.
4. Verify if there are any other duplicate QCL’s for that order. If Duplicate – put in comment “DUP” and Skip.
5. Send back to **POD** if any information is missing (ACTION REQUIRED) or if add-on email –send email back to the chain.
6. Approve Xray & Ultrasound for patients after medical necessity review. No Precert is required for these procedures. (for approval - /// approved)
7. Start Precert/medical necessity review & complete. Complete the below steps at least 2 days prior to TEST.
 - a. Medical Necessity Review compares ICD 10 on order to payer policies to ensure Medical Necessity is met. Review most recent clinical documentation to confirm signs and symptoms support the ICD 10 (Diagnosis) on the order.
 - b. Verify that patient has not had same test recently (according to payer guidelines)
 - c. Pending Precert – send Action Required QCL to POD. If no precert is required – perform a financial/medical necessity review for the procedure. (give case# and if option of expedite)
 - d. Pending P2P – send Action Required QCL to POD (give case# & number)
 - e. Denial – Sent QCL to POD for alternate option
 - i. Send Action Required QCL to Kirby Scheduling for re-schedule per POD response
 - ii. If POD asks to leave test on – send Action Required QCL to Pt reps for ABN or estimate
8. To Enter a AUTH:
 - a. Go to Facesheet
 - b. Double click Insurance then Auths
 - c. Add – Dept: Global, Type: No. of Procedures, Authorization #, Description (CPT CODE), effective date and expiration date, Number approved (change to # of CPT’s).

Attachment B, Economic Feasibility, Item D,

Projected Data Chart

Revised Pages 32-R2 and 33-R2

**PROJECTED DATA CHART
PET/CT**

Supplemental #2
☐ Total Facility
☒ Project Only
August 30, 2018
4:23 P.M.

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January (Month).

	Year 2019	Year 2020
A. Utilization Data (Specify unit of measure, e.g., 1,000 patient days, 500 visits) Unit of Measure = PET/CT procedures	721	728
B. Revenue from Services to Patients		
1. Inpatient Services Not applicable		
2. Outpatient Services Not applicable		
3. Emergency Services Not applicable		
4. Other Operating Revenue (Specify) Technical, Medical Physics and Professional Charges	\$7,351,737	\$7,425,255
Gross Operating Revenue	\$7,351,737	\$7,425,255
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	-\$5,866,687	-\$5,925,353
2. Provision for Charity Care	-\$154,386	-\$155,930
3. Provisions for Bad Debt	-\$154,386	-\$155,930
Total Deductions	-\$6,175,459	-\$6,237,214
NET OPERATING REVENUE	\$1,176,278	\$1,188,041
D. Operating Expenses		
1. Salaries, Wages and Benefits		
a. Direct Patient Care	\$165,110	\$170,064
b. Non-Patient Care		
2. Physician's Salaries and Wages	\$127,114	\$128,385
3. Supplies	\$84,551	\$87,087
4. Rent		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
5. Management Fees:		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
6. Other Operating Expenses Maintenance contracts, repairs, non-medical supplies/expenses, overhead allocation expenses	\$455,364	\$463,511
Total Operating Expenses	\$832,139	\$849,047
E. Earnings Before Interest, Taxes and Depreciation	\$344,139	\$338,993
F. Non-Operating Expenses		
1. Taxes		
2. Depreciation	\$40,000	\$40,000
3. Interest	\$91,801	\$81,642
\$81,642 4. Other Non-Operating Expenses		
Total Non-Operating Expenses	\$131,801	\$121,642
NET INCOME (LOSS)	\$212,338	\$217,351

Chart Continues Onto Next Page

NET INCOME (LOSS)	<u>\$212,338</u>	<u>\$217,351</u>
G. Other Deductions		
1. Estimated Annual Principal Debt Repayment	<u>\$190,127</u>	<u>\$195,425</u>
2. Annual Capital Expenditure		
Total Other Deductions	<u>\$190,127</u>	<u>\$195,425</u>
NET BALANCE	<u>\$22,261</u>	<u>\$21,926</u>
DEPRECIATION	<u>\$40,000</u>	<u>\$40,000</u>
FREE CASH FLOW (Net Balance + Depreciation)	<u>\$62,261</u>	<u>\$61,926</u>

☐ Total Facility☒ Project Only**PROJECTED DATA CHART-OTHER EXPENSES**

<u>OTHER EXPENSES CATEGORIES</u>	<u>Year 2019</u>	<u>Year 2020</u>
1. Maintenance Contracts	<u>\$130,000</u>	<u>\$130,000</u>
2. Repairs	<u>\$5,000</u>	<u>\$5,000</u>
3. Non-Medical Supplies and Expenses	<u>\$44,674</u>	<u>\$50,064</u>
4. Sales Expense	<u>\$275,690</u>	<u>\$278,447</u>
Total Other Expenses	<u>\$455,364</u>	<u>\$463,511</u>

08/30/18 PM 4:23

Supplemental #2

August 30, 2018

4:23 P.M.

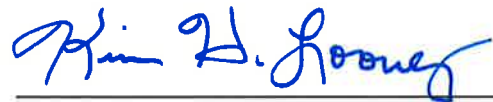
AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: WEST CANCER CENTER, CN1808-037

I, KIM H. LOONEY, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 30th day of August, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

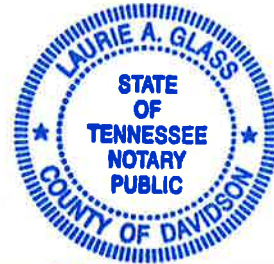


NOTARY PUBLIC

My commission expires: January 8, 2019

HF-0043

Revised 7/02



MY COMMISSION EXPIRES:
JANUARY 8, 2019

Additional Information (Original)

West Cancer Center
(Memphis)

CN1807-037

waller

08/31/2018 11:26

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
P.O. Box 198966
Nashville, TN 37219-8966

Kim Harvey Looney
615.850.8722 direct
kim.looney@wallerlaw.com

**Additional
Information**

615.244.6380 main
615.244.6804 fax
August 31, 2018
11:26 A.M.

August 31, 2018

VIA HAND DELIVERY

Phillip Earhart
HSD Examiner
State of Tennessee
Health Services and Development Agency
Andrew Jackson Building
9th Floor
502 Deaderick
Nashville, TN 37243

Re: West Cancer Center - Germantown - CN1808-038
Additional Supplemental Responses

Dear Phillip:

This letter is submitted as the supplemental response to your email correspondence dated August 31, 2018, noting a typographical error on the Projected Data Chart. Attached please find Revised Page 33-R2 included as Attachment B, Economic Feasibility, Item D, Projected Data Chart.

If you have any questions please contact me at Kim.Looney@wallerlaw.com or by telephone at 615-850-8722.

Sincerely,

Kim Looney by Nail Krongauz

Kim Harvey Looney

KHL:lag
Attachments

Attachment B, Economic Feasibility, Item D,
Projected Data Chart
Revised Page 33-R2

**Additional
Information**

August 31, 2018

11:26 A.M.

NET INCOME (LOSS)	<u>\$212,338</u>	<u>\$217,351</u>
G. Other Deductions		
1. Estimated Annual Principal Debt Repayment	<u>\$190,127</u>	<u>\$195,425</u>
2. Annual Capital Expenditure		
Total Other Deductions	<u>\$190,127</u>	<u>\$195,425</u>
NET BALANCE	<u>\$22,211</u>	<u>\$21,926</u>
DEPRECIATION	<u>\$40,000</u>	<u>\$40,000</u>
FREE CASH FLOW (Net Balance + Depreciation)	<u>\$62,211</u>	<u>\$61,926</u>

- ☐ Total Facility
☒ Project Only

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	Year 2019	Year 2020
1. Maintenance Contracts	<u>\$130,000</u>	<u>\$130,000</u>
2. Repairs	<u>\$5,000</u>	<u>\$5,000</u>
3. Non-Medical Supplies and Expenses	<u>\$44,674</u>	<u>\$50,064</u>
4. Sales Expense	<u>\$275,690</u>	<u>\$278,447</u>
Total Other Expenses	<u>\$455,364</u>	<u>\$463,511</u>

2018 AUG 31 11:26 AM

**Additional
Information**

**August 31, 2018
11:26 A.M.**

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: WEST CANCER CENTER, CN1808-037

I, KIM H. LOONEY, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Kim Looney by Neil Kingman
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 31th day of August, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

Laurie A. Glass
NOTARY PUBLIC

My commission expires: January 8, 2019

HF-0043

Revised 7/02



**MY COMMISSION EXPIRES:
JANUARY 8, 2019**